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First Ibero-American Summit Concludes

Declaration Seeks To End Poverty

PA2007025491 Mexico City NOTIMEX in Spanish 0149 GMT 20 Jul 91

[Text] Guadalajara, Mexico, 19 Jul (NOTIMEX)—The 23 heads of state and government of Ibero-America today agreed to eliminate poverty by means of joint action based on dialogue, cooperation, and solidarity.

The objective is contained in the "Guadalajara Declaration," which was released here today at end of a two-day meeting among the leaders of Latin America, Spain, and Portugal.

"The Ibero-American countries agree to carry out all necessary efforts to liberate our people from the scourge of poverty before the 21st century," according to the declaration signed today by the 23 heads of state, who met in this Mexican city.

"We have decided to constitute ourselves and take actions as an Ibero-American conference," the document states.

This conference seeks to "turn a series of historic and cultural similarities into an instrument of development and unity based on dialogue, cooperation, and solidarity."

"Our community is based on democracy, respect for human rights, and fundamental liberties," the Guadalajara Declaration stated.

"To face poverty, war, intolerance, hunger, disease, the degradation of the environment, and ignorance, we propose a new culture of international cooperation as the only road for a just and stable world," it added.

The 21 countries reaffirmed "the principles of sovereignty and nonintervention and they recognized the right of each people to build their political system and institutions amid peace, stability, and justice."

The agreement signed in Guadalajara today intends to promote and strengthen the Ibero-American community toward the third millennium.

"We pledge to hold consultations to promote broader cooperation and to increase exchanges that will allow us to foster policies in common to make optimum use of the advantages that stem from belonging to the same community," the declaration added.

The 23 Ibero-American dignitaries agreed "to promote the strengthening of democracy and pluralism in international relations, with full respect for sovereignty, territorial integrity, and the political independence of the states, sovereign equality, and self- determination of the people."

The declaration mentioned the four topics analyzed at the summit meeting—economic development, social development, education and culture, and international law.

The leaders of Latin America, Spain, and Portugal decided "to establish guidelines on foreign conduct based on international law and to act in a joint and coordinated manner to contribute toward eliminating the use or the threat of force."

In addition, they agreed "to promote the strengthening of democracy and pluralism in international relations," with full respect for the principles of the UN Charter.

With regard to the aspiration for economic and social development, the Ibero-American countries decided "to reinforce the multilateral international commerce system," furthering greater communication among the different regional integration systems.

They pledged to create in their respective countries national mechanisms to promote, protect, and defend human rights.

They also became committed to expediting scientific and technological exchange and to promoting communication and the flow of information.

Highlights of Declaration Cited

PA2007043891 Mexico City Red Nacional 13 Imevision Television in Spanish 0305 GMT 20 Jul 91

[Report on "Guadalajara Declaration" issued at the conclusion of the first Ibero-American summit held in Guadalajara, Mexico on 19 July]

[Text] At the end of the closing speeches, the 23 heads of state and government of 21 Ibero-American countries issued the Guadalajara Declaration, consisting of a 10-page document that contains 24 points and 28 paragraphs, divided into three chapters, covering implementation of international law, economic and social development, and education and culture. In this declaration, the dignitaries seek to reach a political consensus among the governments to promote solutions mandated by the challenges facing them and turn the set of historical and cultural affinities into an instrument of unity and development, based on dialogue, cooperation, and solidarity.

In this respect, the leaders expressed their will to project toward the third millennium the strength of the Ibero-American community. They also noted their commitment to contribute together toward a common future of peace, greater welfare, and social equality. We are committed to the economic and social development of our people, full enforcement of human rights, expansion of democratic currents, reinforcement of our institutional systems, and respect for the norms of international law, the declaration states.

The document also mentioned that the Ibero-American nations want a future of certainty, peace, and security, which will be possible through respect for international law, and through general and complete disarmament that discourages the use of force and promotes negotiated solutions to disputes.

On economic matters, the Guadalajara Declaration stated that the countries gathered here are committed to a profound readjustment of their economies, for the purpose of efficiently achieving recovery and growth. Our countries have made significant progress in their modernization processes, through state reforms and economic deregulations. Such processes have entailed sacrifices that must stop so that it is possible to establish true social justice, the document stated.

It went on to point out that foreign debt constitutes one of the chief obstacles to growth and stability in the region, which, therefore, entails for many countries of the region a fundamental factor in economic development with an evident political dimension. The declaration commented on economic, social, technological, and cultural development. In this respect, the leaders noted that education needs to be unequivocally enhanced, so that at the same time it can strengthen Ibero-American identity, as well as create solid foundations to ensure the adequate insertion of the area countries into an international context marked by scientific and technological breakthroughs.

Other fundamental points of the document are related to ecological and overall deterioration [as heard] and efforts to combat it, support for the international summit on children and for regional cooperation to fight cholera, and the problem of drug trafficking, which, they said, requires international cooperation so that it can be eradicated, based on all-encompassing and multilateral integration with full respect for the sovereignty of states.

The leaders who attended the first Ibero-American meeting, here in Guadalajara, also pledged to reinforce and promote democracy and pluralism in international relations, with full respect for sovereignty, territorial integrity, and the political independence of states, as well as sovereign equality and peoples' self- determination.

In the chapter on the economic and social development of the 21 nations, they noted their wish to contribute toward the success of the GATT meeting in Uruguay and full compliance of its rules and objectives, toward the struggle against protectionism, toward the rejection of discrimination in international trade, and toward equitable reciprocity for countries that conduct unilateral and regional efforts to achieve commercial liberalization. The document noted that the exchanges of experiences will be encouraged in commerce, investment, and technological development, and that the establishment of an Ibero-American business organization will be promoted.

The declaration indicated that, as proposed by Mexico, the countries will support the candidacy of Carlos Olchaga of Spain as president of the IMF's Interim Committee. The document also pledged to conduct a dialogue at the highest level, and decided to establish the Ibero-American Conference of Heads of State and Government, with the participation of the Spanish-speaking and Portuguese-speaking sovereign states of America and Europe. It announced the continuation of the Ibero-American dialogue in Spain next year, in Brazil, in 1993, in Colombia in 1994, and in Argentina in 1995. These are the highlights of the declaration.

Menem on Castro Support

PY2007000291 Buenos Aires Argentina Televisora Color Network in Spanish 2245 GMT 19 Jul 91

[Interview with Argentine President Carlos Saul Menem by unidentified special Argentina Televisora Color reporter in Guadalajara, Mexico, time not given—recorded]

[Text] [Menem] It is developing smoothly. Each chief of state or president has addressed the summit. Yesterday's speeches referred to generic issues, to this sort of accord of the Ibero-American countries. Today we are raising issues related to economic development. We are going to address the social issue after discussing international issues. In sum, we are going to raise any issue that may contribute to a greater rapprochement between the Ibero-American countries. Things are developing smoothly, the meetings are very frank, the issues that concern all the countries that are represented here are discussed in an exhaustive manner, and I believe that the summit's final document will be very suitable. Moreover, there is a great determination and desire to start work immediately by implementing the programs and proposals that will be made during this meeting.

[Unidentified reporter] It was surprising to hear Fidel Castro say, when he addressed the summit, that he would support any measures adopted by the Latin American countries. It was quite a surprising statement because Cuba has always been a little out of things, don't you think?

[Menem] That is right, but there are two different issues here. First, we have to see what sort of measures Commander Fidel Castro would be willing to support. For example, one of the issues mentioned by all the chiefs of state was the need to strengthen and implement democracy in all Latin American countries. For the time being, democracy does not exist in Cuba. Therefore, we will see whether Fidel, in view of his obvious intelligence and talent, is capable of giving Cuba a democratic outcome, which is what all Latin Americans hope.

Menem Criticizes Castro Speech

PY2107233091 Buenos Aires BUENOS AIRES HERALD in English 21 Jul 91 pp 1, 4

[Excerpts] (NA-DYN) Puerto Vallarta—President Carlos Menem yesterday blasted Cuban leader Fidel

Castro's speech at the Ibero-American summit in Guadalajara but disclosed during a television interview that Soviet President Mikhail Gorbachev had asked him to mediate before the Cuban authorities and ask Castro to open the island's political regime along more democratic lines.

"Castro said what I thought 40 years ago, when I was a university student, but those ideas have no place in today's world," Menem told the press at this exclusive summer resort where he is spending a two-day rest after the summit discussions and before returning to Buenos Aires tonight.

During an interview broadcast late Friday [19 July] night on Guadalajara television, Menem explained that he criticized Castro "because all members of the international community are nowadays building democratic systems, and the Cuban authorities must understand the world wants freedom in their country."

Asked whether during the visit he paid to Moscow last year Menem had suggested Gorbachev tell Castro that he must work towards democratic change, the President said it had been "the other way round. He asked me to advocate democratization in Cuba."

Yesterday morning Menem held a meeting with United Nations Secretary-General Javier Perez de Cuellar in which the international situation was discussed. Menem told Perez de Cuellar of his government's aim to play a "more active role" in the activities of the international organization. [passage omitted]

On his speech before the 21 political leaders of Latin America, Spain and Portugal, Castro had insisted on his attacks at the United States foreign policy, asked for "democratization" of the United Nations and called U.S. President George Bush's Initiative for the Americas "the last fantasy."

On the contrary, Menem praised the Bush plan, saying it would lead to "benefits shared equally among states" by creating "a giant project of industrial and commercial integration." However, perhaps as a concession to Castro, the final document makes no mention of the proposal.

Sources at the summit said that Argentina was probably among the few Latin American nations (together with El Salvador and Panama) who still oppose Cuba's readmission into the Organization of American States (OAS). Cuba was suspended from the OAS under U.S. pressure after Castro declared himself a communist. Washington still opposes Cuba's readmission.

In a brief conversation with Argentine journalists in Puerto Vallarta, Menem considered that the outcome of the Ibero-American summit had been "very positive, and the presence of Spain and Portugal was most important because they can provide a way into the European Economic Community for Latin American countries."

Late on Friday night Menem held formal meetings with Spanish King Juan Carlos I and that country's Prime Minister Felipe Gonzalez. Yesterday morning he discussed the international situation with UN Secretary-General Javier Perez de Cuellar.

According to Presidential Spokesman Humberto Toledo, Menem told Perez de Cuellar that his government is "ready to play a more active role" in the international organization. Toledo also commented that the conversation with the Spanish King had been "broad and fruitful. [no closing quotation mark as published] Juan Carlos compared the carapintada [painted faces] aborted military uprising of December 3 with the "Tejerazo" Army attack on the Congress of his country in 1977 and praised Menem for his quick and strong reaction to defeat the rebels.

Nuclear Accord Discussed

PY1907162291 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 18 Jul 91

[Text] Presidents Fernando Collor of Brazil and Carlos Menem of Argentina today signed an agreement in Guadalajara, Mexico, defending the use of nuclear energy for exclusively peaceful purposes. The agreement was signed before 23 chiefs of state attending the first Ibero-American summit.

The document ratifies the commitments assumed last November by Presidents Collor and Menem in Foz do Iguazu, Brazil, and reasserts Brazilian obedience to the Constitution and the Tlatelolco Treaty, as well as President Collor's determination to make the Brazilian nuclear program as transparent as possible. In this agreement Brazil and Argentina agree to give up any explosive nuclear devices. The document also specifies that any vehicle fueled by nuclear power, or its modification, represents a peaceful use; therefore, it is not included in the agreement. The document also establishes the creation of an Argentine-Brazilian agency to account for and control nuclear materials.

In his speech during the opening session of the Ibero-American summit in Guadalajara, President Collor said the agreement signed with Argentina represents a landmark in Argentine-Brazilian relations.

[Begin Collor recording] This agreement is very meaningful because it strengthens our peaceful objectives and establishes transparent procedures that demonstrate our commitment to peace before the international community. It also represents a new stage in the integration process we have begun and it gives way to even more promising perspectives for mutual cooperation in mastering new technologies. [end recording]

President Collor said the agreement will be a meaningful contribution to the consolidation of regional peace and security.

[Begin Collor recording] We are both committed to contributing to the concretion of the ideals of freedom and democracy, which today, more than ever, are associated with universal peace. This objective requires a

more equitable distribution of the benefits of scientific, technological, and industrial progress. This is why the different parts of this agreement are important for attaining our objectives of better technological training. [end recording]

President Collor added that Brazil and Argentina cannot accept discrimination in access to advanced technological knowledge and goods. According to Collor, Brazil and Argentina are determined to contribute to attaining far-reaching, balanced solutions that will guarantee access to new technologies.

Collor Meets Castro

PY2007230291 Rio de Janeiro O GLOBO in Portuguese 19 Jul 91 p 3

[Report by Jose Meirelles Passos and Helena Chagas]

[Text] Guadalajara—During a meeting that lasted more than 40 minutes, President Fernando Collor told Cuban President Fidel Castro that Brazil is ready to cooperate so that Cuba can rejoin the international community. Collor made it clear that Brazil will always reject any policy aimed at isolating Cuba, and that it is up to Cubans to make the decision on the convenience and opportunity for promoting this approach. At the meeting's end, Collor said: I told President Fidel Castro that Brazil closely awaits any request to cooperate with the Cuban Government as soon as possible.

Despite this position, Foreign Minister Francisco Rezek made it clear that Brazil will not act as a mediator between Cuba and the United States.

During the meeting the two presidents agreed that sovereignty is one of the main pillars of international law.

Castro knows that Brazil is a firm supporter of the law and that it does not agree with interventionist policies. Nothing could be more indiscreet than to meddle in matters that can disrupt a country's sovereignty, Rezek said.

As soon as he arrived at Collor's suite in the Camino Real Hotel, Castro asked:

What can you tell me about a letter? Do you have a letter for me?, alluding to rumors that Collor had a letter for him from George Bush in which Bush urged him to democratize Cuba.

Collor told him that he did not have any letter, but that he had a message that would be delivered to him from the Planalto Palace, not the White House.

Rezek, who also attended the meeting, said Collor told Castro that Brazil expects a major approach between Cuba and the international community, and a closer relation with Latin American countries.

The Brazilian Government made it clear to Castro that it wants Cubans to elect a new president through a direct vote, otherwise the gradual approach between Cuba and Brazil will continue to be—as one of those attending the meeting said—"lukewarm." Rezek reiterated that bilateral relations are tied to certain conditions. He avoided saying so directly but he made Brazil's position quite clear: The dialogue between Brazil and Cuba would warm up if something were to happen in the latter country.

Rezek was very careful when reporting on the Fidel-Collor dialogue to journalists. At times he found it difficult to find the right word to describe situations or remarks: The talk was very...very... Oh, well, I cannot come up with the right word.

A good portion of the meeting dealt with international politics. Collor and Fidel agreed that there is no such thing as relative sovereignty; sovereignty must always be absolute.

Rezek said: The countries want every people to choose their own course of action. Brazil is certain that at this point nothing could be more dangerous than to hint at the righteousness of foreign interventions. It is up to Cuba to decided whether it is appropriate and the right time (to become democratic).

Even so, Collor told Fidel that Brazil is against isolationism. The Cuban leader answered that undoubtedly his country's current tendency is toward a greater rapprochement with the international community.

Collor Offers Cooperation to Castro

PY2107030091 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Jul 91 p 6

[Excerpt of interview with President Collor de Mello by FOLHA DE SAO PAULO reporter in Guadalajara, Mexico—date not given]

[Excerpt] [FOLHA] What did you talk about with Fidel Castro?

[Collor] We talked about the importance of Latin American unity at this decisive moment for securing universal peace through the formation of economic megablocs as a new geopolitical configuration. We agreed that this first meeting of Ibero-American countries can bring about concrete results, based on our joint vision and the repercussion of our new geopolitical configuration at the world level. Brazil is interested in a collective participation that is constructive and positive, where each country's contribution is decisive. Even the developed countries should be invited to give more thought to the problems we are experiencing so that they can be solved.

[FOLHA] President Carlos Menem has said that democracy is needed in Cuba. Have you talked about this with Fidel Castro?

[Collor] We discussed Latin American affairs in general and bilateral relations between Brazil and Cuba—which are at an excellent level today. I told Fidel Castro that

Brazil would pay close attention to any call or request for cooperation Cuba may need from Brazil at any time. [passage omitted]

Chile Confirms Ties With Cuba

PY1907181491 Santiago Radio Chilena Network in Spanish 1700 GMT 19 Jul 91

[Text] The Chilean Government has decided to reestablish consular and commercial ties with Cuba; these relations were interrupted on 11 September 1973. This was reported in Guadalajara, Mexico, by Chilean Foreign Minister Enrique Silva Cimma, who said that the reestablishment of ties was absolutely necessary.

[Begin Silva Cimma recording] The Chilean Government has decided to establish consular and trade relations with Cuba for two main reasons: First, there are many Chileans who live in Cuba and who encounter difficulties in traveling to Chile because of the absence of consular relations between the two countries. Another reason is that, as you know, Chilean tourism agencies are interested in organizing trips to Cuba; besides, there is also a Cuban airline that travels to Chile. This is why consular relations are absolutely necessary. [end recording]

The announcement of the resumption of ties with Cuba was made by Radio Chilena this morning through our special correspondent to Mexico, Hector Figueroa; he also reported on other statements made by Foreign Minister Silva Cimma.

[Begin Figueroa recording] Silva Cimma added that the reestablishment of consular and trade relations is technically not a resumption of diplomatic ties. He said that this case is similar to the relations between Chile and Bolivia. [end recording]

Today President Aylwin will conclude his visit to Mexico, where he participated in the Ibero-American summit in Guadalajara. The president and his retinue will return to Chile tomorrow at 1030.

Aylwin on Relations With Cuba

PY1907224091 Santiago Radio Chilena Network in Spanish 1700 GMT 19 Jul 91

[Text] President Patricio Aylwin said that for the time being an effort is made daily, in reply to a question on whether the dialogue to reestablish definitive diplomatic relations with Cuba will continue or not. The chief of state made this statement as he was leaving his hotel on his way to attend the opening ceremony of the Ibero-American presidential summit in the Cabanas Cultural Institute, where the summit is taking place.

Aylwin said that Chile has agreed to reestablish consular and trade relations with Cuba. As for the Ibero-American presidential summit, the chief of state reported that it has been a very interesting experience and is an unprecedented event. Aylwin said that a working method must be created to allow future presidential summits to concentrate on specific subjects because only general subjects are being discussed at this meeting. The president, nonetheless, said that this kind of meeting contributes to real integration.

One cannot announce spectacular results from these summits, but I think that history demands that we agree and work for integration, Aylwin added.

Costa Rica's Fournier Speaks

PA1907210491 Mexico City Red Nacional 13 Imevision Television in Spanish 2146 GMT 18 Jul 91

[Speech by Costa Rican President Rafael Angel Calderon Fournier at the opening ceremony of the Ibero-American Summit held at the Cabanas Cultural Institute in Guadalajara, Mexico—live]

[Text] Mr. President of the United States of Mexico, Your Majesty, Messrs. Chiefs of State and Government, Messrs. Representatives of International Organizations, Ladies and Gentlemen:

Today, history calls us to leave behind a decadent world and march toward an emerging world. All middle ages end up creating a renaissance, and today we find ourselves on the way to a new rebirth. There are those who blindly cling to the dogma of the world we are leaving behind. There are also visionaries who adapt with intelligence to the emerging world. Walls begin to fall, especially the walls in our mind. Rigid economic blocs begin to be substituted by economic alliances. This summit is an example of a story where hopes reach beyond national borders. It is if we were bringing to life the philosopher Heraclitus' program: Today everything flows from the Old World to the New World.

In Ibero-America we have witnessed the transition from dictatorships to democracies. After painful experiences the peoples chose democracy instead of dictatorships, regardless of the doctrines or interests that those dictatorships hoped to legitimize. Today we know that democracy is not just a government for the people, but a people's government for the people. True democracy is not limited to the formality of free and correct elections; instead, democracy requires the revitalizing winds of popular participation. New democracy means a participative democracy. From central and East Europe to the Soviet Union, and of course in the Iberian Peninsula and Latin America, the same overwhelming and creative current has led to [3-minute break in reception] the rivers that they contaminate. With every year that passes, the planet warms, the ozone layer is destroyed, and a variety of plants and animals disappear. For centuries man has thought of security in military terms. Today, however, we realize that the ecology crisis threatens our security. In the handling of our Mother Earth, we cannot think in terms of nationalities or ideologies. Saving our planet calls for concerted action. In the emerging world, development will need to be compatible with protection of the environment. Little by

little mankind is learning to value its actions from the point of view of its impact on nature—save nature and earth to save the hope and future of the human species.

Multinational drug trafficking has become another serious threat against the new democracies. No one on this earth can assume his country is immune to the power of drug trafficking. The international nature of the threat calls for international-size solutions. We are facing a gigantic Hydra that includes drug production, processing, trafficking, and consumption. There are countries that are mostly drug producers, others that are mostly consumers, and countries that are chosen as bridges for drug trafficking. In some cases, drug lords have even gone so far as claiming ideological justification to legitimize their shady activities. In certain communities whole private armies have caused bloodbaths. Drug trafficking tentacles have reached political levels. Especially reproachable are links between drug trafficking and terrorism. In some of our countries we have made headway against this mortal enemy of democracy. However, we are not satisfied. The time has come for a great international alliance of governments to struggle against drug trafficking.

Dear friends, we live in a world where history speaks with the language of freedom: political freedom to favor pluralism and popular participation; religious freedom in a climate of mutual tolerance; cultural freedom so that schools of art and thought flourish; freedom of trade to increase production and fraternal relations among the nations; economic freedom to write the pages of history in the book of development; freedom to march and meet the emerging world, a world that every day becomes more like a new renaissance. Many thanks. [applause]

Cuba, Chile Reestablish Relations

PA1907175791 Paris AFP in Spanish 1724 GMT 19 Jul 91

[Text] Guadalajara, Mexico, 19 Jul (AFP)—Chilean Foreign Enrique Silva Cimma today announced that Chile and Cuba have decided to reestablish consular and trade relations.

The Chilean foreign minister said the agreements will be signed today with Cuban Foreign Minister Isidoro Malmierca in a ceremony outside the Ibero-American summit that is being held in Guadalajara.

Castro Stresses Importance of Summit

FL2007130491 Havana Tele Rebelde Network in Spanish 1100 GMT 20 Jul 91

[Text] Cuban President Fidel Castro has emphasized the importance of the Ibero-American summit in a message to the conference that concluded last night. The document affirms that our country will actively contribute to the well-deserved continuity of this Mexican initiative and to organized and periodic meetings for the benefit of all the peoples of the region. The 40-page text is divided into sections on the economic and social situation of Latin America, unity and integration; and Cuban economic and social development, democracy, and human rights. The document also includes sections on the international sphere, Cuban and Latin American economic integration, and cultural identities of our peoples.

Castro To Remove Political Barriers

FL2007133591 Havana Tele Rebelde Network in Spanish 1200 GMT 20 Jul 91

[Text] Cuban President Fidel Castro has offered to sweep away the political barriers that might block the road to cooperation by affirming that Cuba is the country best prepared for integration in Latin America. In a message to the Ibero-American leaders meeting in Guadalajara, the Cuban leader highlighted Cuba's true potential to conduct any kind of economic operation.

Among the alternatives proposed by Fidel are new forms of payments, and developing investment projects with preferential treatment, including that regional partners may be allowed to invest more than 50 percent of the capital in joint enterprises with Cuba. On foreign trade Castro said that progress can be made through new procedures, compensated exchange, and the creation of investment enterprises.

Castro on Trading With Paraguay

PY2007174491 Asuncion NOTICIAS in Spanish 20 Jul 91 p 10

[By special envoy Celso Chavez]

[Excerpt] Guadalajara, Mexico—Starting trade relations with Paraguay is a question of time said Cuban President Fidel Castro in Guadalajara yesterday after a 15-minute meeting with Paraguayan President Andres Rodriguez in the Camino Real Hotel where all the presidents attending the first Ibero-American Summit are staying.

Castro, who always looks impressive, yet appeared old, held a brief meeting with Paraguayan reporters despite pushing by his bodyguards, who stayed close to him.

After the meeting President Rodriguez told Castro that Paraguayan reporters wanted to talk with him. Castro agreed to meet with them.

Asked about the issues that were discussed with the Paraguayan president, Castro said that agriculture and the development of new technology in that field were the main issues discussed.

"I would like to take this opportunity to convey a warm, cordial greeting to the people of Paraguay," said Castro, who is creating a lot of commotion wherever he goes. [passage omitted]

Castro Comments on Summit Outcome

PA2107031491 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0009 GMT 21 Jul 91

[Interview with Cuban President Fidel Castro by unidentified reporters at the Camino Real Hotel in Guadalajara, Mexico "minutes before leaving Guadalajara"—recorded]

[Text] [Reporter] What did the summit mean to you and Cuba, Commander?

[Castro] I believe the summit was excellent and well-organized. There were talks, discussions, and dialogues. Contacts were made and information was exchanged. I think the summit produced everything that was expected of it and perhaps more. It was a first step for Latin American integration. I am really very pleased.

[Reporter] The State Department said today that the summit highlighted Cuba's isolation. What do you think about this? Or did it highlight that Cuba is definitely a part of Latin America?

[Castro] I really find that confusion surprising.

[Reporter] How did you feel?

[Castro] I felt very well. I felt like being in a family.

[Reporter] How was Cuba treated?

[Castro] Excellently by all the leaders as a general rule, we can say. It was excellent, and people treated us fabulously. I will never forget the hospitality and affection I received from the Guadalajara residents on the streets and everywhere.

[Reporter] Did you not feel any hostility or recieve cold looks from any of the presidents?

[Castro] In general, no. In general, the immense majority treated me warmly. The rest gave me normal and respectful treatment.

[Reporter] You said we have all learned.

[Castro] I believe we have all learned because, well, I learned many things. I learned about how the political leaders think. I learned of their capabilities. I must say I was impressed with the fact that there were many capable and intelligent people at the meeting. They expressed themselves very well with knowledge and education. I saw many people who contributed to the success of the meeting. Of course, there are two aspects as for the topics to be discussed. If we review the situation of each of the countries, they all have difficulties. Many of the leaders were courageous when making their statements. We were able to become acquainted with new leaders who gave their opinion on important matters.

[Reporter] Commander, encouraged by the United States, many countries are pressuring Cuba to change. What is your opinion? Where is Cuba going?

[Castro] There was talk of international problems. They were interested in Cuba's situation, but they had great respect. There was great respect. The U.S. pressure is great, but in this meeting, I really was treated warmly. It is because we are a family. We are a family regardless of ideology. As President Salinas de Gortari said, unity does not mean uniformity. There will not be and cannot be uniformity. We cannot aspire for unity with uniformity.

[Reporter] For Colombia it is important to restore consular relations with Cuba. It is a first step, just as it is with Chile, to definitely have Cuba return to the Latin American system.

[Castro] I feel it is an important step. Various countries established and others talked about resuming consular and diplomatic relations as a first step. Logically, these things should not be rushed but moved along little by little. We appreciate the will to develop trade; it is important, as you put it, for integration.

[Reporter] What is the future of Cuba in view of the pressures?

[Castro] The future of Cuba is composure, tranquillity, courage, a fighting spirit, and a spirit of hard work. That is our duty. Our future depends on our own efforts.

[Reporter] Do you believe a first step has been taken for the constitution of a truly Latin American community and that we are on our way to solving the major problems?

[Castro] At least for the first time in history we have met by ourselves without being convened by the United States. I believe this is a historic event because it is a test of our conscience. Mexico has played a decisive role in this.

[Reporter] You call us family. What kind of family are we now?

[Castro] An Ibero-American family. This family may grow because some people talked about the absence of countries such as Puerto Rico; they were thinking about a free Puerto Rico, not Puerto Rico as a U.S. possession. They talked about Haiti and English-speaking Caribbean countries. Naturally, it would have been harder to get 40 leaders to agree than to get the leaders of the Latin American and Ibero-American countries to agree. They played their role.

[Reporter] As for this new concept of democracy, what was Cuba's contribution?

[Castro] We have contributed to democracy where it lacks the most: the area of social justice, the spirit of true equality, fraternity, freedom. I say freedom because I speak about the freedom of a beggar as opposed to a millionaire. I do not see this as freedom. I ask myself

what are a beggar's opportunities? I also ask myself about his opportunities in terms of equality and fraternity. It is said there are 270 million poor people in Latin America and 84 million needy people. This is a sign that our democracy is very incomplete. That is the field in which we have made the greatest contribution in the sense that we have upheld the principles that are truly substantial in man's participation in democracy. What is democracy without man, without man's participation, without man's brotherhood, and without equality among men?

[Reporter] What lies ahead for Cuba, the only bastion of socialism in the world?

[Castro] A great honor. Well, I would not say it is the only one because there are other socialist countries such as Vietnam and China, but we are the only one surrounded by capitalists everywhere. In addition, we are the neighbors of the United States. We have ahead a great historical honor that we did not ask for nor seek out, but we will know how to fulfill it. We will defend those ideas under such difficult conditions as we are are now doing.

[Reporter] Commander: President Endara told Radio Netherlands that you could be the Gorbachev of Latin America and that no one is asking you necessarily to retire from the government, but that there are certain winds of freedom in your country.

[Castro] The Gorbachev of Latin America? At any rate, I could be everything in the case of Cuba, but not of Latin America. Besides, I already was that. No one has made more changes than we have. Our problem is that we made the changes many years ago and have continued making these changes for 30 years. We are a country where there have been more changes in the 200 years of independence [from Spain]. Therefore, when it comes to changes, no one has made more changes than we have. However, we are not going to make change- overs [recambios]. It is not the same to make changes than to make change-overs.

[Reporter] Commander, prior to the summit, some expected you to be placed on the dock of the accused.

[Castro] I was willing to sit down. It would not be the first time that I sat on the dock of the accused. [Castro laughs] All revolutionaries have to sit on the dock of the accused, and I was willing to sit down, in a very humble and modest manner. However, I was determined to discuss things and answer the judges. I was determined to wage my own defense. I already did this at one time.

[Reporter] Were you judged?

[Castro] Actually, I did not feel anyone was judging me at any time. If anyone had plans to judge me, I did not get that feeling at all. Actually, what I felt was an atmosphere of respect. We could say that respect prevailed as a general rule at that summit.

[Reporter] How about pluralism?

[Castro] There was also pluralism. During the dialogue, I was free and I respectfully voiced my points of view on all subjects. Perhaps at times, it would have been best to keep quiet, but that would not have been honest. I did say that I did not honor private property or private enterprise and that I did not believe in the miracles of the market. I know of many crazy things and disgraces that happen in the market. I felt I had to be honest, even though I knew the others were in the majority and had different ideas. I felt it was a basic duty of honesty to say that, but at any rate, we would make our Latin American efforts and we would support their decisions.

[Reporter] Following these dialogues, do you feel any of them could have changed their impressions about you?

[Castro] You are asking me a question that could lead me to become immodest or vain. I am the way I am, I have always been that way, and that is the way I came here. At least, if you act honestly, others will understand that you are honest. If you act courageously, others will understand that you are courageous. To that effect, I believe in the importance of human values. I believe that when men have too many prejudices and are confronted with some realities, they might change their prejudices.

I did feel that there was an increase in the respect and friendship. That is how I felt. That is the most I can tell without having to beg forgiveness for having to say it.

[Reporter] Will international law be strengthened after this meeting?

[Castro] There is still much to be done, but I believe it will contribute to enforcing and strengthening international law. However, we are still small and there is still a long battle ahead against great interests before we can actually have a more democratic United Nations and before international law is fully enforced. However, it was certainly a battle for international law.

[Reporter] Do you think it helps when someone sets aside his prejudice against Cuba?

[Castro] Yes, that may have helped, and it also helped us reduce our prejudices and improve the image we have of some people.

[Reporter] Who did you reduce your prejudices against?

[Castro] That is a difficult question. However, I can give you an example, but this is not a matter of prejudice. I firmly supported Endara's statement. I applauded him when he said that on 31 December the canal will be in Panamanian hands, and that he will not renegotiate the canal treaties. I thought it was honest to encourage and support that decision, and I did. Who would have expected me to applaud any statement coming from the Panamanian representative? However, that is an example of objectivity and honesty, and I applauded his statement.

[Reporter] Commander, there were two summits in the same week. A summit of the superpowers of the north, and another summit of our countries of the south...

[Castro, interrupting] Well, we are small in economic resources, but morally we are very big. Theirs was a meeting of those who have great economic and military power, but not as much moral strength.

[Reporter] They met to reach agreements and we met to discuss...

[Castro, interrupting] To govern the world. They met to govern the world, and we met to struggle for justice in the world.

[Reporter] What vision of the world does the last caudillo of modern times have?

[Castro] Would I be that last caudillo? No, because we still have Ballaguer, who is older than I, and has been engaged in political activities longer than I. You understand? Besides, I have never been seen as a caudillo, which is fortunate, because being a caudillo must be a disgrace. I imagine that the philosophy of a caudillo is that everything is finished when he is finished. However, when you are a man of ideas and you convey ideas, you are convinced that ideas will not perish when the one who portrays those ideas is no longer there.

[Reporter] What is your vision?

[Castro] A better world. These are very difficult days, but it is said that the darkest time comes before dawn.

[Reporter] During this summit, Cuba was respected and given an opportunity to reincorporate itself to Latin America. However, you did not...

[Castro, interrupting] [Words indisticnt] new prospects in that sense.

[Reporter] Do you feel isolated from Latin America in Havana?

[Castro] No, on the contrary. Nature and God placed us in the Caribbean, although unfortunately we have a neighbor like the United States. However, we are privileged to be Latin Americans and part of this great Latin American family for which I feel great affection and solidarity as well as admiration. I am a great admirer of Latin America, its history, and people. In addition, we speak the same language. Can you imagine how it would be if you spoke German and I Finnish? Nevertheless, Europeans are united. So why not unite Latin Americans, who speak this marvellous language, which was one of the things they brought us from that continent so that we could understand each other better. Now we will also have to study Portuguese.

[Reporter] We also share the same dreams of Bolivar and Marti.

[Castro] And many others like Sucre, San Martin. We can say that they all shared the dream of a united Latin America. We should not forget Miranda either. In my opinion, the greatest of all were Bolivar, first of all, then Marti, who was a disciple and follower of Bolivar.

[Reporter] Is that unity still an utopian idea?

[Castro] Despite the Yankees, that unity is not an utopian idea.

Malmierca Says Objectives Fulfilled

PA1907204791 Madrid EFE in Spanish 1931 GMT 19 Jul 91

[Text] Guadalajara (Mexico), 19 Jul (EFE)—Cuban Foreign Minister Isidoro Malmierca affirmed today, Friday, in Guadalajara that "Cuba has fulfilled its objectives" at the First Ibero-American Summit with the renewal of consular relations with Chile and Colombia.

In the morning, Malmierca signed with his Chilean and Colombian colleagues, Enrique Silva and Luis Fernando Jaramillo, respectively, an agreement by which Chile and Colombia reestablish consular relations with Cuba. These relations were broken in the 1970's.

Malmierca views these renewed relations as "a very positive step in the reestablishment of full relations." He noted: "We like to move on a firm basis so that our decisions have permanence."

The Cuban foreign minister said he is "happy" with the climate of understanding that prevails in the summit. He noted that this meeting has served "to freshen up the relations between our nations."

Regarding the possibility of Cuba rejoining the OAS, from which it was expelled in 1962, Malmierca said that "that is not a pursuit of ours. We will take that step when the other Latin American countries decide they want us to rejoin it."

The foreign minister said that Cuba does not view the OAS as a "fundamental element" in its international relations.

Malmierca Praises Relations With Chile

PY2007025291 Santiago Radio Cooperativa Network in Spanish 2315 GMT 19 Jul 91

[Text] Cuban Foreign Minister Isidoro Malmierca said after the ceremony during which Chile and Cuba resumed consular and commercial relations that he was happy with the climate that prevailed at the Ibero-American Presidential Summit in Guadalajara, especially about the desire to strengthen relations. This is Manola Robles' report from Mexico:

Cuban Foreign Minister Isidoro Malmierca said: We are happy that we were able to take concrete steps to reestablish consular relations with Chile during this first Ibero-American Summit.

[Begin recording] [Malmierca] We believe this is a very positive step. We still have to take other steps to complement it and make it a reality. This will be done in the coming months. This agreement will allow us to progress toward a full resumption of relations. However, we believe we have to continue working as we have been doing, without haste, making sure that each step we take is definitive and permanent.

[Robles] What problems are still pending?

[Malmierca] The steps we have taken are very important. We are sure that the improving situation will help us analyze any pending problems. [end recording]

Malmierca said the steps taken on the path to integration and solidarity were very important. Regarding the results of the summit, Malmierca said:

[Begin Malmierca recording] So far we are quite satisfied. More than satisfied, we are happy with the prevailing climate, the common and reciprocal willingness to strengthen relations and look for the means to advance in the development of our peoples. [end recording]

Regarding the return of Cuba to the OAS, Foreign Minister Malmierca said that Cuba is ready to take that step when Latin American and Caribbean countries decide it is time, and it is appropriate to do so. We are not campaigning to return to the OAS, but if that is the desire of Latin American countries, Cuba will consider the possibility, he said. Malmierca added that at no time during the years when relations were severed did Cuba feel distant from the Chilean people.

The ceremony to sign the agreement took place at the Cabanas Cultural Institute, an old colonial building. The walls of this old building are more than one meter thick. The agreement was signed by Chilean Foreign Minister Enrique Silva Cimma and Cuban Foreign Minister Isidoro Malmierca. At the end of the ceremony, the people attending applauded because they said it was a historic moment. The Cuban foreign minister concluded by saying that his country has always respected the principle of reciprocity and that this was clear in Fidel Castro's speech regarding noninterference in the domestic affairs of other states.

Ecuador's Borja Speaks

PA1907205091 Mexico City Red Nacional 13 Imevision Television in Spanish 2211 GMT 19 Jul 91

[Speech by Ecuadoran President Rodrigo Borja at the opening ceremony of the Ibero-American Summit at the Cabanas Cultural Institute in Guadalajara, Mexico—live]

[Text] Heads of state and government of the Ibero-American countries, as well as of Spain and Portugal; UN Secretary General; OAS Secretary General; representatives of international organizations; ladies and gentlemen:

The world was transformed at an incredible speed in the past two years. In a decade, the wonders of science and technology have produced changes that in the past could only be conceived to take place over several centuries. Ideas, systems, and things that seemed permanent came crashing down. A new international political order was established. The cold war came to an end. An interesting convergence between contending political, economic, and social systems began right after World War II. This convergence is based on the interaction of the two conflicting systems' working factors. A dialectic synthesis between these systems is being sought, a synthesis enriched with the experiences of the two systems over the past 50 years. This is not at all the end of history, as Francis Fukuyama has pointed out. A chapter has been closed and another has been opened. Yet history goes on. Neither the capitalist market system nor the socialist system of directed economy and state ownership has proved to be perfect. We are moving toward a mixed economy regime with a dynamic private sector and a public broad and efficient sector.

Therefore, the great challenge of all our economies is to determine the most effective mixture of elements of the two sectors. Now that the cold war has faded and the tension between the big powers and their circles of influence has diminished, the North-South contradiction and the absence of equitable relations between advanced and developing countries is even more evident. We hope that, with the consolidation of peace in the world—and we expect the Husayn case to be an isolated episode of belligerence, megalomania, and militarism—we can release financial resources that can be used to develop the less fortunate countries and to establish social justice in the world. The development of the South is an essential condition for stability and peace in an increasingly interdependent world. Together, the Ibero-American countries, as well as Spain and Portugal, must face enormous problems. This is doubtless President Carlos Salinas' main reason to convene this important summit.

There are many problems which, with their effects and solutions, go beyond local borders. An international concerted effort to confront them is essential. These problems include the preservation of peace, an indivisible asset which we should feel violated whenever it is attacked; the dismantling of arsenals of nuclear and conventional weapons; drug trafficking in every one of its forms; foreign debt as the greatest obstacle that impedes the development of all our countries; the uncontrolled growth of population, which has a tremendous effect on natural resources and destroys forests, impoverishes land, and hampers development; the protection of environment, whose purpose should be to leave for the next generation pure air, crystal clear water, and fertile soil; scientific and technological development which is essential for us, as Jaime Paz has just said, so we can meet the challenges of the last decade of the 20th century and the coming 21st century; and, finally, the consolidation of democracy as a system to organize the

society and also as man's daily, non-ill-intentioned behavior. The solution of all of these problems demands a concerted effort of the countries and the formation of international communities because the solutions of these problems and the effects of these solutions cannot be found within local borders.

Presidents of several countries and various ideologies have met here to discuss these and other subjects and initiate joint actions. We are all united in the face of the threat of similar problems. After all, as the King of Spain said in his first speech at the Cortes, ideologies are but different ways to understand peace, justice, liberty, and the historic reality of our peoples. A new international political order is coming into existence. The voice of the Ibero-American countries, Spain, and Portugal, should resound so a new international economic order can also come into life to do justice to the impoverished countries, to equitably distribute the benefits of progress, and to let these countries partake of world revenue. I think this essential voice has come into existence here, in Guadalajara, in this meeting of Ibero-American presidents. This voice will resound in every corner of the world so the doors of justice, full liberty, and economic equity can be opened for all peoples of the world. Thanks. [applause]

Borja on Bush Initiative

PA1907214991 Madrid EFE in Spanish 1951 GMT 19 Jul 91

[Text] Guadalajara, Mexico, 19 Jul (EFE)—Ecuadoran President Rodrigo Borja said today, Friday, that although U.S. President George Bush's Enterprise for the Americas Initiative has positive aspects, it also has "too many conditions" and a bit of "rigidity," and this must be modified.

"Too many conditions must be met for the Latin American countries to take advantage of this initiative," Borja said at a news conference during a break at the first Ibero-American Summit meeting under way in Guadalajara.

Asked about the positive aspects of U.S. President George Bush's proposal, Borja mentioned U.S. investments in Latin America and the possibility of reducing the Latin American countries' foreign debt.

Regarding the summit itself, Borja warned that it would be "a mistake" to expect the summit meeting to produce many specific agreements because the summit is "a first encounter, an encounter for rapprochement and an exchange of views."

Nevertheless, Borja agreed that the Guadalajara summit will "strengthen Latin America's image," mainly because the 23 heads of state or government in attendance "have set rhetoric aside."

According to the Ecuadoran president, the summit meeting will erase "the image of volatility" that has characterized the Ibero-American countries up until now.

Borja said that Ibero-America has launched an integration process that "is a sign of the times" and a worldwide "requirement" for small as well as large countries, but cautioned that although Latin American unity "is not unattainable," it will be neither quick nor easy.

Borja Interviewed

PA1907221291 Mexico City XEW Television Network in Spanish 1821 GMT 19 Jul 91

[Interview with Ecuadoran President Rodrigo Borja by reporters in Guadalajara, Mexico, on 19 July—recorded]

[Text] [Moderator] Please give your name, the media you represent, and [words indistinct].

[Ireaga] Gisela Ireaga from El Imparcial de Sonora. Mr. President, do you believe this summit will change the vision held by Europe and the rest of the world in regard to the Latin American countries? Also, would you please tell us if there have been agreements or debates on educational and cultural matters in the Ibero-American countries?

[Borja] I will answer the last question first. The educational and cultural matters will probably be discussed in this afternoon's meeting. We only confronted economic problems this morning, and in some cases social problems.

In regard to Ibero-America's image in Europe, I do believe this summit will strengthen it. First, because the meetings have been working ones and we have eliminated all rhetoric from them. The proposals have been very concrete and the heads of states and presidents have broached matters in a direct and modern language. This, I believe, will contribute to the elimination of the image of volatility held by Latin America up to recently.

[Unidentified reporter] Mr. President, how do the other heads of state feel about the Group of Seven's willingness to contribute to development, market openings, resources, and credits? Another question: Is there a general opinion that the Initiative of the Americas has too many conditions?

[Borja] Yes, I believe there are too many conditions. A country has to comply with too many rigid stipulations to take advantage of it, and I believe this must be modified. There has to be respect for the free determination of our countries, for our sovereignty, and for our governments' right to conduct the country's destiny in accordance with its interests.

[Reporter] [Question indistinct]

[Borja] Well, our talks have to be totally frank. The presidents and heads of state meeting here—as I said yesterday—are from different countries and hold different ideologies or ideological leanings. So, it is not surprising that some hold different positions and that some disagreements arise during our debates. This is logical. This is part of the democratic pluralism of our America and we all know that this is the way things

should be. The richness of this meeting lies precisely in the possibility of having several opinions on a concrete proposal. These opinions respond to the different ideological viewpoints of those of us who are participating in this summit. This characteristic makes these meetings rich and productive.

[Reporter] [Question indistinct]

[Borja] Yes.

Cristiani Refuses To Meet Rebels

PA1907215591 Hamburg DPA in Spanish 1918 GMT 19 Jul 91

[Text] Guadalajara, Mexico, 19 Jul (DPA)—Salvadoran President Alfredo Cristiani today refused to accept a meeting with Salvadoran rebels within the framework of the Ibero-American Summit meeting that is under way in Guadalajara.

Cristiani said: "A personal meeting with the Farabundo Marti National Liberation Front (FMLN) is inopportune at this time because the rebels are still making unacceptable demands." Cristiani made this statement at the Camino Real Hotel in Guadalajara, where he and the other heads of state are staying.

Referring to the peace talks that the government and rebels have been holding since April 1990, Cristiani said: "A confrontation at the level that represents the last hope for a process such as this one would not serve any purpose."

Cristiani said that he had told UN Secretary General Javier Perez de Cuellar, who is also in Guadalajara, that "such a meeting is inadvisable."

The Salvadoran president said that he is willing to meet with the representatives of the rebels, but only "after it is seen that the FMLN is sincerely willing to put an immediate stop to the violence."

The fact that a top leader of the Salvadoran insurgents is currently in Guadalajara had prompted speculation in the past few hours that a direct dialogue with President Cristiani could be in the offing. The rebel leader's identity has not been disclosed.

Cristiani Blames Cuba for FMLN Acts

PA2107173591 Mexico City NOTIMEX in Spanish 0358 GMT 20 Jul 91

[Text] Guadalajara, 19 Jul (NOTIMEX)—Salvadoran President Alfredo Cristiani on 19 July blamed the Cuban Government for being the main promoter of the guerrilla activities in his country, because Cuba finances and trains the FMLN [Farabundo Marti National Liberation Front].

During a news conference held during the first Ibero-American Summit held in Guadalajara, Cristiani added that Cuba also provides the guerrillas with logistical support.

Cristiani added that because of his influence, Fidel Castro could contribute to ending the Salvadoran armed conflict, that is, he could prevent other nations from making investments in El Salvador's economic development.

The Salvadoran president denied that his country's Armed Forces suppress the people, and he explained that it is one thing for his government not to accept actions beyond what is permitted and it is another to engage in repression.

"We continue seeking the methods to reach peace and we are all willing to contribute so that the next round of talks between the government and the guerrillas in early August will be positive," he added.

When referring to El Salvador's stand concerning Fidel Castro's regime, Cristiani pointed out that as a result of all the changes taking place throughout the world, the Cuban president "is being left alone, and it is his business if he wants to hang on to power and die there."

Honduran President Delivers Speech

PA1907222991 Mexico City Red Nacional 13 Imevision Television in Spanish 2248 GMT 18 Jul 91

[Speech by Honduran President Rafael Leonardo Callejas at the opening ceremony of the Ibero-American Summit held at the Cabanas Cultural Institute in Guadalajara, Mexico—live]

[Text] Carlos Salinas de Gortari, president of Mexico; His Majesty King Juan Carlos; heads of state and government; UN Secretary General; representatives of the OAS and international organizations; ladies and gentlemen.

Undoubtedly, history will soon record this meeting—because time passes swiftly for mankind—as one of the greatest efforts of the people of Latin America. There will be hundreds of commentaries and headlines and many pages will be written on this meeting's attainments. This will surely be the historic outlook for this important event. Fundamental for us, who have this great and unavoidable responsibility to our people, is to be fully aware that what counts is not to find or forget those who have been responsible for our history. Truly important is that Iberians and Americans, who for 500 years have created a land with its own destiny and nature and a need that cannot be ignored to speak sincerely to find our imperative common destiny, are meeting today. In sum, this group of nations, which constitutes Ibero-America, is meeting through its presidents, for the first time in history, to tell one another about the particular realities of their states and what they expect for all our people in the third millennium.

It would be easy to say that we wish that our nations and people no longer must suffer the poverty they have suffered since the very beginning of their existence. The truth is, however, that we, who are currently responsible for our nations, must establish measures in our states with determination and courage, even though we are aware of the price of these actions. The sacrifices made at a particular time are nothing compared to the new paths traversed by our societies to reap the benefits of the severe and well-planned measures that will make it possible for the new Latin American man to succeed. This man will be deeply satisfied that his current leaders, with vision toward the future, have outlined the way for a higher standard of living. Current society is making new changes in its earnest effort to improve during the third millennium. We believe that decisions have been made that will improve man's well-being because we are meeting a new century of progress, which demands creativity and determination. This will be a century of progress in a climate of peace among nations, of prevalence of genuine freedom, when war and murderous violence will disappear, when we will no longer see man destroyed by man, when respect for man's dignity will be the framework of all activities in the world.

We have said it before—the next century is when we will see men and women of all nations, races, and characteristics working for the beautiful reality of a better existence for mankind, which will be able to fulfill the ideals of a society, free from the fear of war and injustice, a society of harmonious coexistence among men.

American, European, and Asian nations bear testimony to very important changes in perspectives of how we should prepare to receive the new century. Even though it is the scene of contradictions, people are presently finding a new way to live as humans in this environment that God has reserved for man, provided he can live in harmony with nature. This requires that Ibero- Americans produce as much as possible to check the threats of hunger and drug trafficking, the deterioration in the environment, and the death of the ecosystems on our Latin American continent. In the past, we proved our capacity and now we should affirm with new action that we are prepared to meet our common destiny and propose specific bridges for the gaps between the people of the world.

Heads of state and government: Honduras, as a member of the Central American community, perceives with strength the signs of the times. With your assistance, war became a remote possibility and access to sincere negotiations among parties that still refuse to join the process of democratic change was made possible. It is well known that the region's governments and societies are inclined toward integration, cooperation, and solidarity. Our efforts have shown the world that the most constructive initiatives are in the hands and minds of the Central American people. By the decision of the presidents, we have declared the end to a war that was never ours and did not originate within our political environment. Peace can still be found. We want wars to end in Central America. Presidential activities and tasks are gradually outlining a coherent agenda in the Central American community. The area presidents are convinced that we should all walk together to eliminate the old economic and political model and establish strategic priorities to join forces and eliminate obstacles that are blocking the happiness and prosperity of our people.

We understand clearly now that individual actions will surely have repercussions in the activities of others. For the first time, democracy has resulted in genuine presidents. Democracy has restored our people's right to elect their representatives. Peaceful and sovereign presidents rule over the people through civic force and laws, which we will never renounce. We will never shamefully obey or be subservient. Our history tells of our peoples' courage and deep love for peace, freedom, and justice. This framework enables us to solemnly affirm that our Ibero-American nation is filled with examples of fraternity among our people. Mexico, in particular, is the historic cradle where we, the Ibero- American presidents, are meeting, and not by chance. Here, in the land of Montezuma and Hidalgo, sons of all America, who for various reasons were welcomed in this land that encouraged them and offered them a chance to develop their arts and sciences and fan their hopes, have found quiet repose. Jose Cecilio del Valle, one of the greatest of all Hondurans, was foreign minister here in Mexico. This shows that our identity as a nation is above our own nationality.

For this reason, it is imperative to recognize the vision of President Salinas, who organized this meeting of brothers, so that we can develop our brotherhood in the effort to create a better world, which we all desire for our people. Finally, and with Del Valle, a precursor of Pan-Americanism, I want to say that the subject most worthy of study is America. With vehemence and respect, however, I want to say today that Ibero-America is being built by its sons of yesterday, by us, the heirs of today, and the generations of tomorrow, who will reap the fruits of our past and present sacrifices. Let us tell the world today that Ibero-America is fully united to receive the third millennium. Thank you. [Applause]

Honduras' Callejas on Economics

PA2007000791 Mexico City NOTIMEX in Spanish 2152 GMT 19 Jul 91

[Text] Guadalajara, 19 Jul (NOTIMEX)—Honduran President Callejas announced today that the Ibero-American Summit will agree to implement mechanisms for economic complementation among the nations to overcome the great social injustices in the region.

During a recess in the summit, Honduran President Rafael Leonardo Callejas said that there was a consensus that corrective measures be implemented in the economy of each country in order to improve the buying power of the region's citizens.

Callejas is the second chief of state to give advance details of the agreements adopted at the meeting that will be included in the "Guadalajara Declaration" summing up the conclusions of the event.

Shortly before Callejas, Uruguayan President Luis Alberto Lacalle mentioned the agreement that condemns the international financial organizations for not supporting the countries of the region.

He said that all the 23 chiefs of state and government of Latin America, Spain, and Portugal "agreed that without economic growth there cannot be a good social situation in the Latin American countries."

The Honduran president also announced an agreement to create a series of alternatives to improve the social situation of the region, including the possible creation of an assistance fund by the Inter-American Development Bank.

It was also agreed to establish "broader cooperation" among the countries of the area to exchange experiences, as in the case of the national program of solidarity drafted by the Mexican Government to satisfy the demands of the alienated classes.

Regarding the Central American situation, Callejas said that "if real peace is not achieved at this summit, it will be very difficult to achieve the integration of the countries."

In this regard, the Central American chiefs of state are of the opinion "that one cannot speak of social justice when there are persons displaced by war and immigrants who have abandoned their countries because of military conflicts," he said.

"Peace is a fundamental element; consequently, we condemn violence as an element in the conduct of man. It is inconceivable that after the end of the cold war this sort of conflict should persist. The only thing that it demonstrates is the struggle for power," Callejas added.

Mexico's Salinas Toast Speech

PA1907141291 Mexico City Red Nacional 13 Imevision Television in Spanish 0458 GMT 19 Jul 91

[Speech by Mexican President Carlos Salinas de Gortari during the formal dinner with Ibero-American presidents at the Jalisco State Government Palace in Guadalajara, Mexico—live; broadcast in progress]

[Text] ...related. A historical era which permitted relatively autonomous, self-oriented, and isolated development for decades, apparently protected from the inclement world, has come to an end. No nation can escape the impact of the economy's globalization, nor the innovations of knowledge and technology. The Ibero-American nations recognize that they have been out of touch with changes in the world in the recent past. They also admit that there is a challenge in the modernization demanded by our countries.

Our nations were built and guided by the desire to modernize and to move toward the splendor of civilization. Thus, modernization has once become the urgent task. The Ibero-American people must open up once more to the new conditions of the world. The great resolve to face this new challenge is, without a doubt, the vigor and strength of our culture, the enormous common ground from which the most modern and universal fruits of our people's wit continue to appear. Culture is the intimate expression of the individuals and a reflection of the changing structures of societies, shape of the state, popular struggles and expressions, ideas, and political discourse.

Culture is also the consequence and origin of the changes. The Ibero-American heritage and cultural present are an amazing accumulation of our own features, but they are not a dormant legacy defined once and for all as if it was a fulfilled history that we were trying to preserve. The heritage and cultural present are the result of an open and multifaceted history, continuously enriched by the mixture and contact between different civilizations, ethnic groups, and languages and beliefs. The heritage from cultures of the Indian people and a rich legacy from the most modern western influence coexist simultaneously in Ibero-America.

The true pattern of our powerful cultural background has not been immobility, but change and the diversity and richness of its origins. It is an extraordinary journey which has included many cultures. These cultures have been capable of assimilating without throwing away, and of opening up to the imperious call of new trends without forgeting their past.

It is a trajectory of ruptures and continuations. The path toward modernization, which is urgent for us today, does not stop at our national borders, it goes beyond and connects them with the borders of other countries, other economies, and other cultures. In an apparent paradox, it can be said that only those who are capable of participating in an integration effort will be able to strengthen the doors of their borders, but to do so in a sovereign manner means meshing with the currents of commerce, finances, technology, and knowledge of other people.

Our old standing and yet current goals of sovereignty and social justice will be achieved more thoroughly by the efficient use of the opportunities afforded today by world changes. Our nations' historic goals require new means if they are to be achieved in our current times. They require new ways of thinking and new political language. In addition, they require new forums, such as this summit, which has gathered—thanks to your generosity for attending it—all the nations that have always been joined by the threads of the great Ibero-American culture. We want to increase material wealth, not as a goal, but instead to give our freedom some dignity.

We aspire to an economic recovery that will not alter the communities but that will strengthen the ties of brotherhood. We want daily activities to continue reflecting a moral community, and the commitment of solidarity that distinguishes them to be the measure of human worth, as much as of the prosperity of our nations. That way, this common effort will be a reaffirmation of our own capacity to understand the world around us, to be a reflection of it, and to see our place in the future strengthened. Messrs. heads of state and government, we are promoting unity without uniformity. Freedom is our horizon; justice, our chief concern; democracy, our shield; and sovereignty, our loftiest mission. That is why I invite you to make a toast tonight. [applause]

Salinas Closing Speech

PA2007035191 Mexico City Red Nacional 13 Imevision Television in Spanish 0148 GMT 20 Jul 91

[Speech by President Carlos Salinas de Gortari at the conclusion of the First Ibero-American Summit at the Cabanas Cultural Institute in Guadalajara, Mexico—live]

[Text] Presidents, [words indistinct]. Representatives from International Organizations, Ladies and Gentlemen:

In this meeting, we have recognized the fact that we have been members of a community for centuries. We are people with a similar history, language, and background. Even with our differences, we have reconciled our views with those of our brothers.

Despite the predictions made by some people, we did not meet to discuss our differences, but to improve the conditions of our people. We have all contributed and received the benefits. The discussion of the different issues has been permanent. There have been many proposals. There are clear general trends regarding our development strategy.

We have been able to talk to each other, discuss various topics, and even agree on some issues, because we are actually different. This fact enriches us and has brought us closer to one another. Respect for the viewpoints of others has prevailed, and cordiality has been a rule. We have learned from others. With modesty and resolve, we have told the world that we are together and that we have decided to stand together as an Ibero-American conference.

As sovereign nations, each of our countries has its own space and projects. However, we have decided to look for points of agreement that recognize our cultural richness of 500 years. This richness has nourished us over the years, and it comes to life with the diversity and implementation of collective actions. This has been our main concern, to embody our words in the daily lives of our governments and open our doors. This will permit our societies to know each other better and to increase trade, as well as increase the standard of living of our people.

The proposals that we have heard merit consideration, and they show our willingness to take the big step to real unity, always respectful and cooperative.

On this occasion, historical moments have coincided with ours. That is why, here, we have begun to make those dreams and ideals come true. We agreed to seek and attain peace among ourselves and with the rest of the world. We also agreed to express solidarity with others, because we accept others' challenges as our own. We have accepted our brotherhood, and with it the fact that we have some differences but also a future to share.

Those who are here have demonstrated that the steps that we plan to take and the objective of achieving a society of Ibero-American nations can be attained. We have also demonstrated that the imagination of our forefathers remains alive and among us, firmly entrenched in reality. This fruitful moment has been the result of the enthusiam and work of each one of you. The great political declaration of this meeting has been the result of your participation in this summit.

The voices of all presidents and heads of state of Latin America, Spain, and Portugal, which is Ibero-America, have multiplied their resonance. On behalf of all Mexicans, particularly my compatriots from Guadalajara and Jalisco State, who have generously and graciously welcomed us, I express my thanks and appreciation to you. The flame of unity has been lighted. I request that the king of Spain, the host of the Second Ibero-American Summit in 1992, give the closing words to this First Ibero-American Summit. [applause]

Refugees Ask for Panama Discussion

PA1907151291 Mexico City NOTIMEX in Spanish 1108 GMT 18 Jul 91

[Text] Mexico City, 18 Jul (NOTIMEX)—Panamanian refugees have asked the heads of government attending the Ibero-American summit to discuss the Panamanian situation as it has been a year and a half since the intervention.

In a message sent to the heads of government participating in the summit, 10 Panamanian refugees, who left their country after the December 1989 foreign intervention, have requested that Panama be included as a topic on the agenda.

Among the signees, Nils Castro, representative of the opposition Democratic Revolutionary (PRD) at the Permanent Conference of Latin American Political Parties (COPPPAL), and Jorge Turner, the Panamanian ambassador to Mexico during General Manuel Antonio Noriega's administration, stand out.

The Panamanian intellectuals and politicians who sent the note, also expressed their solidarity with the objectives of the leaders from Latin America, Spain, and Portugal.

The petitioners explained that the subject of Panama on the agenda is important to strengthening international law, democratization, and Ibero-American solidarity. They indicated that Panamanian President Guillermo Endara's presence at the summit is wrong because he was "sworn in at a foreign military base when the invading army was bombing the country."

"Endara maintains power because of the deployment of foreign troops on national territory and with the legal and police persecution of thousands of fellow countrymen," they stated.

Currently, Endara "has plunged Panama into insecurity and failure," they added.

Didio Carrizo, Guillermo Castro Herrera, Nils Castro, Darisnel Espino, Juan Hernandez, Minerva Lara, Rafael Mezquita, Jorge Turner, and Ramiro Vasquez also signed the document, which also calls for prompt general elections in Panama.

Panama Normalizes Ties With Mexico

PA2007192191 Panama City Circuito RPC Television in Spanish 1728 GMT 20 Jul 91

[Text] President Guillermo Endara announced in Guadalajara the prompt normalization of relations between Mexico and Panama.

[Begin Endara recording] What happened is that our relations were at their lowest level, but we had relations. We have a charge d'affaires in Mexico and Mexico has the same in Panama. However, everything seems to indicate that all this will improve—improve in the near future—and we will appoint ambassadors. Everything indicates that. [end recording]

Rodriguez, Menem Meet

PY2007001691 Asuncion HOY in Spanish 19 Jul 91 p 19

[Excerpts] Guadalajara, 18 Jul—President Andres Rodriguez is following an intense agenda by meeting with his colleagues from other countries of the continent and Europe during the first Ibero-American Summit, which opened today at the Cabanas Cultural Institute in this city.

Rodriguez held a brief news conference and referred to the importance of this summit. [passage omitted]

Rodriguez met this morning with the Venezuelan president, whom he considers a "leader of Latin American democracy and a personality of Ibero-American intellectual circles, and a man who during his second presidential term is bringing prosperity and happiness to the Venezuelan people."

Another person with whom the Paraguayan president met was Argentine President Carlos Saul Menem. The two presidents spoke about implementing some projects regarding energy and Portland Cement, which are being negotiated. They also briefly analyzed the subjects that will be discussed during the meeting of the Common Market of the South members, which will take place on 19 July at 0000.

Soares Calls Castro 'Dinosaur'

PA1907210191 Mexico City NOTIMEX in Spanish 2015 GMT 19 Jul 91

[Text] Guadalajara, 19 Jul (NOTIMEX)—Portuguese President Mario Soares today labeled Cuban President Fidel Castro a "dinosaur" and criticized his participation in the Ibero-American summit.

For Soares, Castro belongs to "a very respected race on the way to extinction."

Castro wants "to close his eyes" to the world transformations, the Portuguese president said during a talk with officials and students of the Guadalajara University, 580 km west of Mexico.

I believe that Fidel Castro could have taken advantage of his participation at the inauguration of the summit to "give a signal that would announce Cuba's evolution, but that signal will never come," he said. Soares agreed, however, with the Cuban president on the need to reform international law and to provoke the transformation of the United Nations Organization to avert future invasions such as that of Iraq.

"We do not want to have any country acting as the police of the world under the protection of the United Nations," he said.

The Portuguese president attended the university shortly before meeting with his colleagues in the Cabanas Cultural Institute where the "Guadalajara Declaration" will be issued with the conclusions of the summit that has gathered chiefs of state from 21 countries of Latin America, Spain, and Portugal.

Soares also spoke of the necessity to strengthen relations between Ibero-America and the European community, and said that Spain and Portugal will play "a fundamental role" in that.

"The countries of the Iberian Peninsula are the poorest of the North, but are also the richest of the South," and that places them in a favorable position to bolster their ties, he said.

Portuguese President's Speech

PA2007045591 Mexico City Red Nacional 13 Imevision Television in Spanish 2355 GMT 18 Jul 91

[Speech by Portuguese President Mario Soares at the opening ceremony of the Ibero-American Summit held at the Cabanas Cultural Institute in Guadalajara, Mexico; in Portuguese with simultaneous translation into Spanish—live]

[Text] President Carlos Salinas de Gortari: My opening words are to thank you for your invitation to participate in this first Ibero-American conference and to congratulate you for such a timely initiative. The timing was particularly right within the current international framework to gather the heads of state and government of the great Latin American and Ibero-American countries, and of Spain and Portugal, to encourage political dialogue and give the economic and cooperative relations among our countries a more specific and practical expression and an updated and dynamic expression, and to intensify our humanistic tradition, which is our common historic and cultural form. Mr. President, in the name of the Portuguese people, whom I represent, allow me to express, through you to the Mexican people, a very special and friendly greeting for this warm hospitality.

Your Majesty; presidents and heads of government; representatives of the United Nations, the OAS, UNESCO, and international organizations; ladies and gentlemen. The world is presently witness to a swift evolution that keeps surprising us because of the deep changes that we observe on an almost daily basis. These are encouraging times that demand a clear and calm mind. Yet these are also times of promise and of openings, freedom, dialogue, rapprochement, and reconciliation. Latin America has also experienced the unstable effect of these winds of change. An irrepressible movement of democratic subversion prospers and is peacefully accepted everywhere on this extensive continent. This movement opens for our people new and true perspectives for a more prosperous and just future, which will stave off—we hope for good—an adverse past of dictatorships where to despise fundamental values was common.

Once pluralistic democracy has been restored, man's fundamental rights and freedoms have been reinstated, and international and regional disarmament policies have been implemented, we must release human energies to carry out the necessary and unavoidable task of developing such vital areas as economy, education, justice, culture, and the environment, to correct the severe imbalances that still scourge the Ibero-American nations today.

Portugal's entry into the European community, as well as Spain's entry, has given us a new, vast, and modern scope in inter- continental dialogue that it is our duty to increase, expand, and vitalize.

Portugal, which is one of the states in the world community that has greater historical ties to the people who live on the banks of both sides of the South Atlantic and which has brought the Portuguese language—which by the end of this century will represent approximately 200 million human beings living in all the regions of the globe—to the international community, continues to be—as is its universal tradition—a true herald and decided promoter of Europe's spirit of openness to nations on other continents.

With legitimate pride, I want to greet Brazil, a country to which Portugal is linked through fraternal, indestructible, historical, loving, human, and culture ties. As of the Revolution of the Carnations, we have developed in Portugal a clear awareness of the importance of the Southern hemisphere, of the interdependent nature of its relation with Europe resulting from the inevitable need to maintain a strong and fruitful exchange. The very development of the process of Brazilian independence that concluded in 1822 with the proud participation of Don Pedro, the heir of the Portuguese crown who allowed peace and territorial unity in that vast country without affecting the ties that still link it with Portugal, is evidence of a political tradition that is very much in line with the one we have tried to keep up for many years.

The growing and solid increase of Brazil's presence in our country is evidence the active Brazilian businessmen understand the importance of Portugal today, actively inserted into the EC. Meanwhile, the creation in 1989 of the San Luis de Maranon International Institute of Portuguese Language has added Brazil, Portugal, and five Portuguese-speaking nations of Africa that use it as a privileged vehicle of communications. It has also become an expression of political resolve.

The (?government) of Brazil is not only valid and exclusive for the Brazilian nation, and as President Collor said in his brilliant inaugural speech, it should be a privileged partner of Portugal in its relation with [words indistinct]. European is also applicable to the generalities of the South American countries that are very well represented at the highest level and that find in Spain and Portugal, countries that are allied today as brethren, with voice and votes that will represent them in the community. They will voice their legitimate concerns and their natural wishes of a harmonious development.

The dialogues between Latin America and Europe are within this framework in a renewed field, proper for its expansion and enrichment and our particular sensibility as for the events that affect the people of this side of the Altantic. This will emphasize even more the presence of the EC to fulfill its determination and heritage of solidarity, opening, and exchange. In this manner, we can develop potential of which we were not aware until now and that will give us a new face and a better and more equal relation to the ties between Europe and Latin America.

Within that context, the San Jose and [word indistinct] meetings with the EEC and the Rio Group represent the paths that are necessary to continue improving.

Beginning in January 1992 and for a six-month period, Portugal will be chairing the EEC. This will all contribute to the consolidation of the political dialogue currently in progress by strengthening economic and cultural relations, by promoting the establishment of an appropriate institutional framework that can serve as a point of encounter, reflection, and rapprochement between

Europe and Ibero-America with mutual respect, equality, and reciprocity of advantages.

The end of the cold war and the East-West detente we are now witnessing are motors of radical transformation in the international political scene. They came to open up a new outlook for the resumption of the North-South dialogues. The struggle against economic and cultural underdevelopment have thereby gained new motivation and weapons.

Matters such as the Latin American foreign debt and the fight against drug trafficking, which have up to now been factors that have distorted the normal development of some countries, will undoubtedly benefit from this new context by increasing their possibilities for (?solution) in the short run. We are different countries with interests that are fortunately not always the same. We follow different paths, but the thing that unites us is a cultural legacy that no difference can diminish. It is this legacy, so diversified and rich, that allows us to be here today communicating with each other with an ease other people do not know. We have a feeling of solidarity for the desires, the problems, and the hopes we all have. These are the things that consolidate the road to the future, which we have begun to travel on together [two-second break in reception] especially in freedom. Thank you very much. [applause]

Mercosur Presidents Laud Summit

PY2007032491 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 19 Jul 91

[Text] Brazilian President Fernando Collor, Uruguayan President Luis Alberto Lacalle, Paraguayan President Andres Rodriguez, and Argentine President Carlos Menem issued a communique in Guadalajara, Mexico, on the last day of the first Ibero-American Summit. In the communique, the presidents reassert the progress made in creating the Common Market of the South, Mercosur, and note the importance of informal meetings between the presidents of the four member countries.

Presidents Collor, Lacalle, Menem, and Rodriguez asserted the importance of the Mercosur within the general tendencies of the world economy that should contribute to a greater economic opening for the four countries.

The communique also says that it was agreed that the first Mercosur council meeting at a presidential level will be held in Punta del Este, Uruguay.

The first Ibero-American Summit, attended by 23 chiefs of state and government, ends this evening with a joint declaration.

Spain's Gonzalez Talks With Castro

LD1907185291 Madrid RNE-1 Radio Network in Spanish 1700 GMT 19 Jul 91

[Text] The closing ceremony of the Ibero-American summit being held in the Mexican city of Guadalajara will start in a few hours. Today King Juan Carlos and Prime Minister Felipe Gonzalez have been continuing their intense activity, having talks with various heads of state and of government who are attending. A few minutes ago the prime minister held a news conference. Good evening, special correspondent Javier Arenas.

[Arenas] Good evening. Fidel Castro is not incompatible with democracy in Cuba, according to Felipe Gonzalez, who did not speak here today of Numantine resistance [resistance to the end, as the inhabitants of Numancia resisted the Romans] by the Cuban leader, as he did 16 months ago following his meeting in Brazil. Cuba will not obstruct the Guadalajara declaration. That is the opinion, of the Spanish prime minister, determined—to use his own expression—to keep open the dialogue with Cuba started some time ago, even if it is more complex after the winds of change in the world.

Asked about uniformity, which is not sought in Latin America but rather a pluralism with respect at all times for the rules of the game, there was one question posed in terms of a reference to the only uniform present here, namely Fidel Castro's, who incidentally kept his cap on for one hour and three quarters the other day during the talks with Felipe Gonzalez. This was Felipe Gonzalez's reply, to the effect that he would have no objection to donning a cap himself if that would facilitate dialogue.

[Begin Gonzalez recording] I would like to play down to some extent the problem of the cap. Of course, it is not an insuperable problem. [laughter, then applause] I do not attach particular importance to it. I am even prepared to don one myself [laughter], to be able to speak cordially with a cap. [end recording]

[Arenas] The king will be delighted to be able to find the opportunity to visit Cuba, Prime Minister Felipe Gonzalez said. We should recall that in the next few hours the king will have talks with Fidel Castro whom he had the opportunity to greet yesterday for at least two minutes and shake hands, because Fidel Castro went toward him after the family photograph of all the heads of state meeting here.

The prime minister's day began at 0730 with the meeting with the UN secretary general's group of friendly countries which are working for peace in El Salvador—a matter which must be promoted, Felipe Gonzalez said. King Juan Carlos also started his day bright and early, meeting with Nicaraguan President Violeta Barrios de Chamorro.

Gonzalez on Talks With Castro

PA1907193591 Madrid EFE in Spanish 1716 GMT 19 Jul 91

[Text] Guadalajara, Mexico, 19 Jul (EFE)—Spanish Prime Minister Felipe Gonzalez said today that he is "determined to keep talking" with Cuban President Fidel Castro. Gonzalez admitted, however, that this relationship has become more complex.

During a news conference with several hundred journalists from all over the world at the Guadalajara Chamber of Commerce, Gonzalez declined to disclose the nature of his meeting with Castro on Wednesday, saying that he is more interested "in the dialogue" and that he would not "set up any obstacles to it."

Gonzalez, who underlined the need to be "extremely cautious and alert," said that the Wednesday meeting with Castro "was not the beginning of a dialogue" because it had started "many years ago, before the winds of change began to blow in the world. We were already in a dialogue, where we cordially compared stands and disagreed with one another in a spirit of cordiality and friendship. After the changes took place, the dialogue has continued and I want it to continue."

He pointed out that this relationship "has not become easier but a bit more complex." He underlined the need to avoid raising "obstacles by disclosing information that might be misinterpreted."

Gonzalez said that the blockade against Cuba is a "historic mistake," adding that "another way may have to be tried after 20 years," an opinion that he presented to George Bush, then U.S. vice president, during Argentine President Raul Alfonsin's inauguration.

Gonzalez alluded to Castro's speech during the summit's opening, where Castro requested greater democratization of the United Nations. Gonzalez disagreed with this idea because "the United Nations is an irreplaceable organization." He added that, for the first time, the United Nations is showing "efficiency, probably derived from the conclusion of the cold war and the elimination of blocs."

"I can understand that Castro likes this idea less than I do. I like it, however," Gonzalez said. [as received]

Regarding Spanish-Cuban relations after last year's crises over the embassies, Gonzalez said: "We have not interrupted our relations with Cuba." He said the persistent "difficulties" have been overcome "to some extent."

Asked about the possibility that King Juan Carlos might visit Cuba—the only Latin American country not visited by the monarch—Gonzalez said: "The King will surely be delighted to find an opportunity to visit Cuba."

Gonzalez on Cuba, U.S. Blockade

LD1907200191 Madrid RNE-1 Radio Network in Spanish 1800 GMT 19 Jul 91

[Report from Guadalajara, Mexico on the Ibero-American Summit by correspondent Jose Manuel Martin Medem; passages within quotation marks recorded]

[Excerpts] [Announcer] We start with the Ibero-American Summit, now in its second day in the Mexican city of Guadalajara. The Cuban question remains the focus of attention. [passage omitted]

The Cuban question became the central topic of the press conference given by the Spanish prime minister, who went so far as to say that he is prepared to put on a military cap if it is necessary for dialogue, on the way to converting the island to formal democracy. Good evening, Jose Manuel Martin Medem in Guadalajra.

[Martin Medem] Good evening from Guadalajra, here in Mexico, where Spanish Prime Minister Felipe Gonzalez has said that Cuba must have a democracy similar to that of the rest of the countries of Latin American in order to be able to form part of its econmic integration. But, he added, this question will not be an obstacle to the reaching of an agremeent on the final declaration of this first Ibero-American summit—a declaration which will become known in about five or six hours. Gonzalez did not reveal the content of his recent talks with Castro but he expressed willingness to continue the dialogue with the president of Cuba in a climate of calm and discretion:

[Gonzalez] "Before new winds blew in the world and these changes occurred, we were already [engaged] in a dialogue in which we cordially compared positions, we disagreed with a certain cordiality and friendship. After the changes occurred the dialogue continued and my wish is that it should continue. It has not become easier; it has become a bit more complex. But if it were to be useful at all it would probably be useful to the extent that I did not create obstacles, or other interlocutors did not create obstacles, attempting to reveal contents which could be misinterpreted. [sentence as heard] I am determined to continue that dialogue."

[Martin Medem] Democracy in Cuba as in the rest of Latin America, but not intervention. Felipe Gonzalez replied to a question on Panama:

[Gonzalez] "The reproach about Panama cannot perhaps be directed against us. We have been against all interventions, all of them, that one too, and we have said so publicly and I already feel a bit too old to change. I will not accept any intervention."

[Martin Medem] Total agreement between what Felipe Gonzalez said and what we have been able to learn will be reflected in the final communique of this first Ibero-American summit. The situation in Cuba must change, but the blockade imposed by the United States is not the best procedure.

[Gonzalez] "I believe that the blockade is a mistake, a historical one. That is what I believe, I have often said that. And I believe that after 20 years of blockade something else could have been tried."

[Announcer] The Spanish head of state, King Juan Carlos, is right now meeting the Cuban President, Fidel Castro. The meeting, as we said in the headlines, is taking place in the Camino Real Hotel in Guadalajera. [passage omitted] Felipe Gonzalez's press conference,

which, as you could hear, was 80 percent devoted to the Cuban question, also served to hear the Spanish prime minister's vision of how the big economic gaps between Ibero-America and the most powerful countries can be bridged: all of it under the] well-known idea that in order to redistribute wealth it is necessary first to create it. Good evening, special correspondent Javier Arenas.

[Arenas] Good evening. Rarely in my political life have I have the feeling of a meeting as historic as this one. This is how Felipe Gonzalez presented himself to the press. He again made a claim for the role of humanism in political action where the arms of guerrillas are no longer appropriate but rather effective social policies along with economies capable of generating wealth—the old idea of the impossibility of redistributing poverty, of which the prime minister knows no cases.

[Gonzalez] "The debate on economic policy is inseparable from the debate on social policy. And in my opinion, in developing societies, perhaps [words indistinct] more marked ideological slant, it is very important to increase the capacity, the well-being, of broad groups of society as a factor of development. But it must follow effective economic policy, not the other way round."

[Arenas] The lower the income level is, the harder democracy is. The prime minister defines Spain as a middling country which is fighting not to be left behind in development. Felipe Gonzalez says: When I visit Mexico I feel closer to my land than when I visit Bonn. I hope, he adds, this does not annoy the Germans or Europeans but it is true.

With Spanish foreign policy committed to the United Nations, he says that if the United Nations did not exist it would have to be invented. [passage omitted]

Gonzalez on Salvadoran Conflict

PA1907224891 Paris AFP in Spanish 1943 GMT 19 Jul 91

[Text] Guadalajara, Mexico, 19 Jul (AFP)—Spanish Prime Minister Felipe Gonzalez said today that "the group of countries that are friends of the UN secretary general" will back the peace process in El Salvador and will ask the rebels to make "the decision to abandon the path" [of armed struggle].

At a news conference, Gonzalez said that the group met this morning and, after finding that "time is running out" to find a political and negotiated solution to the Salvadoran conflict, decided to offer "all the support" needed to bring an end to the 11-year confrontation that has brought death to more than 75,000 persons.

Presidents Cesar Gaviria of Colombia, Carlos Salinas de Gortari of Mexico, Carlos Andres Perez of Venezuela, as well as Prime Minister Gonzalez of Spain—the countries that comprise the group—met with UN Secretary General Javier Perez de Cuellar to discuss the situation.

Gonzalez said that it is necessary to keep the negotiations that the Salvadoran Government and the Farabundo Marti National Liberation Front have been engaged in for the past 15 months with UN mediation from "losing ground and sliding backward."

The prime minister pointed out that Perez de Cuellar's term as UN Secretary General is drawing to an end and that whoever replaces him might not have the same sensitivity with regard to the urgent need to resolve the Salvadoran military conflict.

Gonzalez mentioned that he has observed several Salvadoran elections and that he believes that when people go out and vote they "are saying that they want the polls, not the firepower, to make the decisions."

Without specifically mentioning the FMLN, Gonzalez added that "alternative models have been exhausted" and that in certain countries the result of guerrilla activity "has not been social progress."

Gonzalez commented that the transformation of society should come about amid peace, but noted that "guerrilla formations still exist" in Latin America. Consequently, he added, it is of paramount importance to achieve the pacification of El Salvador.

Spanish King Speaks at Closing

PA2007030391 Mexico City Red Nacional 13 Imevision Television in Spanish 0153 GMT 20 Jul 91

[Speech by Spanish King Juan Carlos de Borbon at the conclusion of the First Ibero-American Summit at the Cabanas Cultural Institute in Guadalajara, Mexico—live]

[Text] Mr. President, Messrs. Heads of State, Presidents of Government, and Representatives of International Organizations:

Allow me a few, brief words to express my country's compliments to President Salinas de Gortari for the successful calling of this First Ibero-American Summit which has ended brilliantly and which was held in a climate of authentic cordiality and in a spirit of cooperation. Our hopes for the fruits of this summit could not be better based.

We also compliment and express our deep gratitude to the Mexican Government and its authorities, to Guadalajara, to Jalisco, and to the Mexican people in general, for the summit's perfect organization and the fraternal hospitality which they have shown at all times.

I believe, Mr. President, that all of us here share in this gratitude because you have allowed us to share this historic opportunity. Picking up the baton for next year's summit, when I will have the satisfaction of receiving all of you in Spain, we only wish to be able to imitate the example received here in Mexico. Thank you. [applause]

Uruguayan President on Economics

PA2007040291 Mexico City XEW Television Network in Spanish 1810 GMT 19 Jul 91

[News conference by Uruguayan President Luis Alberto Lacalle with unidentified journalists in Guadalajara, Mexico—live; broadcast in progress]

[Text] [Lacalle] ...a general consensus of treating the matter with realism, a realism that will lead us to seek positive results that at the same time are possible. I believe that this should be seen as a mandate for all governments, which should not accept any agreement that could jeopardize the talks, and at the same time should realize that they should not expect spectacular results or that protectionist barriers will completely disappear overnight.

Of course, on the subject of integration, all the presidents agreed that the regional process must continue and be maintained and that it is necessary to strengthen our regional mechanisms before going on to the much discussed and I would say remote subject of Latin American unity.

Regarding international organizations and their response to the efforts conducted by our countries to improve their economies, I stated a position which I believe was supported by all the presidents. I noted that the international credit organizations have shown near-sightedness in recognizing the efforts toward economic recovery conducted by democratic governments. Democratic governments find it difficult to implement economic plans because they must be approved by the majority; they must be debated, and everyone has a right to express his opinion. It cannot be any other way in a democratic government. However, sometimes we are asked to do things faster than we can, and we are not receiving aid that is vital for us. Our negotiations with those organizations were also discussed during this first round of talks on economic matters. I will gladly answer your questions now.

[Unidentified reporter] Could you please elaborate a little more on what was discussed regarding the Uruguay Round and what you said about a mandate to the governments not to accept any agreement? Could you please tell us more about this?

[Lacalle] I would say that I mentioned this yesterday. Uruguay feels like it has fathered the Uruguay Round because it carries our country's name. Yesterday we repeated what we had said before, in the sense that we will not sign any agreement for the sake of showing a signed document, and there is a limit to what the countries in this part of the world can concede or accept.

President Salinas de Gortari reiterated this today when he brought up the subject, and other speakers supported this position. Spanish Prime Minister Gonzalez also mentioned the subject with great realism. He said that we should not expect all protectionist barriers to fall overnight.

I believe that we have a clear position. As presidents of the Uruguay Round, we will ask our foreign ministers to go to the next meeting saying that we will not sign just any agreement. At the same time, we know that we will not obtain everything we want. In any event, we are being realistic about what can be expected at the next meeting of the Uruguay Round at the end of the year.

[Unidentified reporter] The fact that Latin American countries are now recognizing that international organizations have been pressuring them—too much I would say—is very interesting. In that regard, what specific actions will be undertaken, besides saying that this is happening, so that the international organizations will change their attitude?

[Lacalle] Again, I would say that Prime Minister Gonzalez clearly pointed out what should be done when he said that countries should not be treated too harshly just because they fall short of reducing their inflation rate by two points, or because they do not achieve the expected results in a short period. They should be judged by what they can achieve in the long term.

To this, I must add that there are objective signs that show when a country is on the right path. Lowering customs duties, privatizing the public sector, reducing bureaucracy, trying to reduce public expenses, joining integrationist blocs, and renegotiating or showing willingness to renegotiate the foreign debt are objective factors that perhaps will not show immediate results. This is a matter of concern for us and one of the main issues discussed.

In that regard, Prime Minister Gonzalez said that he accepted our invitation to Spain and Portugal to be our advocates when financial organizations conduct this type of study on our countries' accounts.

[Unidentified reporter] What agreements were reached regarding the foreign debt?

[Lacalle] That subject was mentioned in some of the speeches, as we are not all under the same circumstances. The burden it represents and the way in which the debt was acquired was mentioned. Some countries like Uruguay, Chile, Mexico, and Venezuela have renegotiated our debt, while others have not. Although the subject was mentioned, I do not recall that there was any resolution. I might be forgetting something, but as far as I can remember the subject was only mentioned and there was no resolution. In any event, it was generally covered in the previous subject, in the sense that we believe that the debt and financial aid should be viewed with an eye on the long term, not the short term.

[Unidentified reporter] Will there be a specific point in the Guadalajara Declaration regarding our countries' position toward the creditor countries?

[Lacalle] I believe so; however, it is a very long document and therefore I would prefer not to comment on its contents yet.

[Unidentified reporter] What positions have been adopted regarding the Initiative of the Americas?

[Lacalle] We did not discuss that subject. It was mentioned by President Menem and by someone else yesterday, but not today.

[Unidentified reporter] Will it be discussed?

[Lacalle] I believe we already finished discussing economic matters. However, there is always an opportunity.

[Unidentified reporter] Regarding the efforts for economic recovery, which you said are very difficult in many countries, have you established a limit on those efforts?

[Lacalle] As presidents, we must continue those efforts because first of all we know that presidents are transitory. We are in this position for five years and we cannot just discard something because we do not like it, because we would be letting years of negotiations of a country, not of a government, go down the drain. Therefore, those efforts must continue. What we would like to see is more understanding for those efforts. In other words, if expenses have been reduced by 9 percent, as in my country ... [changes thought] I must be honest, we were asked to reduce them by 15 percent, but we could only reduce them 9 percent. Some people might think that it was because I did not want to. We are about to approve a law on public enterprises that introduces private capital or privatization. However, it has not been approved yet, and I cannot force congressmen to approve it by putting a pistol to their chests. We are demanding that circumstances be taken into consideration, and more than intentions, government decisions, but seeking long-term and not immediate results which is what the dictatorships did, because it was easier for them. However, it must be understood that things cannot be done as fast under a democratic government because of its nature.

[Unidentified reporter] [Question indistinct]

[Lacalle] We cannot become wary about another phase that is still far away. Our duty is to work based on our current reality. [Words indistinct] hemisphere that is not real yet. First we must worry about the region, and there is enough work for a whole generation there.

[Unidentified reporter] Then what about the emergence of Latin American unity? Where will it begin? How can it be achieved?

[Lacalle] I did not come to this meeting to create economic unity. I came to participate in a meeting of countries united by our cultural roots. How can we expect Spain and Portugal to leave the EC and join us? Let's be realistic. We must go one step at a time.

[Unidentified reporter] However, what about the unification steps taken by Cuba, Colombia, and Chile?

[Lacalle] I do not know what Cuba, Colombia, and Chile have done, so I cannot comment on that.

[Unidentified reporter] They have established consular relations.

[Lacalle] Establishing consular relations is not integration. I also have an ambassador in Cuba.

[Unidentified reporter] What is the problem of women in your country?

[Lacalle] None. Women are free and they can retire at the age of 55.

[Unidentified reporter] [Words indistinct] Latin America?

[Lacalle] It will depend on the specific actions we take.

[Unidentified reporter] Are you skeptical about integration?

[Lacalle] No, I am realistic.

Cuba

Foreign Ministry Denies Troops Still in Angola

PA1907205991 Madrid EFE in Spanish 2051 GMT 19 Jul 91

[Text] Havana, 19 Jul (EFE)—A Cuban Foreign Ministry spokesman today told EFE that Cuba faithfully fulfilled the schedule for the withdrawal of its troops from Angola according to the tripartite agreements signed in New York.

The source denied and described as "untrue" the charges by Norberto de Castro that Cuba still has 5,000 soldiers in southern Angola. De Castro is the representative of the National Union for the Total Independence of Angola (UNITA) in Lisbon.

De Castro, one of UNITA's spokesmen, said in Lisbon that although he did not have any further details he had learned that the government of the Popular Movement for the Liberation of Angola, MPLA, had offered Angolan citizenship to Cubans.

The Cuban official source told EFE that "the total and complete withdrawal of the Cuban military contingent from Angola was done publicly and was supervised by a group of observers from the UNAVEM [United Nations Angola Verification Mission]," which is the 10- country force created by the United Nations in 1988.

The last Cuban soldiers who were repatriated from Angola arrived in Havana on 25 May and were honored at a ceremony in which an end was declared to the Cuban military presence in that African country. Cuba at one time had 50,000 soldiers in Angola.

Havana Notes Chile's Decision To Establish Ties

FL1907204191 Havana Radio Reloj Network in Spanish 1932 GMT 19 Jul 91

[Text] Today, Chilean Foreign Minister Enrique Silva announced that his government decided to establish consular and trade relations with our country. The pronouncement was made in Santiago de Chile and also in the Mexican city of Guadalajara where the foreign minister is attending the First Ibero-American Summit. Presidents Fidel Castro of Cuba and Patricio Aylwin of Chile, who met yesterday, are in Mexico attending the chiefs of state and government meeting.

According to the Chilean foreign minister, the decision was made, among other things, because many Chilean citizens live in Cuba and when they return to their country of origin they face difficulties because of the lack of consular relations.

Supreme Soviet Delegation Arrives in Havana

FL1907121391 Havana Tele Rebelde Network in Spanish 1100 GMT 19 Jul 91

[Text] A delegation of five Soviet legislators has arrived in Havana at the invitation of the National Assembly of the People's Government [ANPP]. Ramon Pez Ferro, chief of the ANPP International Relations Department, welcomed Gennadiy Nikolayevich Kiselev, the president of the National Consumption Market Committee of the USSR Supreme Soviet, and those accompanying him. The Soviet delegation will tour places of interest, exchange views with their Cuban counterparts, and participate in the main ceremony on 26 July which will be held in Matanzas.

In an exchange with the press, we asked about the recently concluded Group of 7 summit which had been held in London.

[Begin recording] [Unidentified reporter] Gennadiy Nikolayevich, what effect could the recently concluded Group of 7 summit have on relations between Cuba and the USSR?

[Kiselev in Russian with simultaneous translation into Spanish] We do not really have concrete information about the concrete, specific results of the meetings Gorbachev had with the Group of 7, with the different representatives of the Group of 7, about what has been reached, what conclusions have been reached. I could repeat to you that, well, because of problems of principle, our policy has been that our relations are unshakeable, and will remain so until the end. This is the policy of unconditional support for Cuba, support for Cuban independence and sovereignty, and it is a firm policy of continuing our cooperation with the Cuban people in all fields. [end recording]

Pledges Continued Economic Exchange

PA2007014691 Madrid EFE in Spanish 2340 GMT 19 Jul 91

[Text] Havana, 19 Jul (EFE)—Gennadiy Nikolayevich Kiselev, member of the Presidium of the USSR Supreme Soviet, said today that the policy of his country "is to unconditionally support the sovereignty of Cuba and expand commercial ties between our countries."

Kiselev is presiding over a USSR parliamentary delegation that arrived on 18 July in Havana. This delegation also includes Deputies Alexei Andreyevich Sapeguin and V. V. Sevrilkov, of the Committee for Transportation, Communications, and Computer Science.

Kiselev is also accompanied on this trip by S. G. Shuvalov, member of the Committee for Culture, and Alexei Fiedorovich Kucriatsev, adviser for the International Department of the Secretariat of the Supreme Soviet.

Kiselev voiced his hopes that the perspectives for the economic relations between his country and Cuba would be good, even in the long term.

In addition, Kiselev considered it possible to successfully continue with the economic and commercial exchange, despite the difficulties faced by the two nations.

Kiselev stressed: "Let us hope that our economy stabilizes and this becomes a good basis for effectively continuing this cooperation."

"We have to work hard to achieve this end, although the results will not be immediately perceptible," Kiselev added.

This USSR parliamentary delegation will attend the "26 July" holidays [anniversary of the assault on Moncada Barracks on 26 July 1953], which will be commemorated this year in the western Matanzas Province, approximately 100 km northeast of Havana.

Reforms Seek To Meet Current Domestic Situation

FL2207130491 Havana Tele Rebelde Network in Spanish 1100 GMT 22 Jul 91

[Text] Division General Sixto Batista Santana, national coordinator of the Committees for the Defense of the Revolution [CDR], has said after a meeting of CDR leaders in Holguin, that the assemblies to implement the new CDR structure and work style have made it evident that efficiency and grass root involvement can be much improved. He pointed out that it is not that they performed poorly in the past. CDR leaders were complying with the missions assigned to the institution. Sixto Batista also added that the organization was due for a review of its methods and work styles to improve efficiency and obtain significant results in order to meet the demands of the current domestic situation.

Haiti

IMF Delegation Arrives 22 Jul; Talks Continue

FL1807201891 Port-au-Prince Radio Metropole in French 1600 GMT 17 Jul 91

[Text] An IMF delegation will arrive in Port-au-Prince on 22 July to continue negotiations begun with the Haitian authorities in Paris on 10 and 11 July. The three ministers—Frantz Verela, Renaud Bernardin, and Marie-Michele Ray—who conducted the negotiations in Paris with Haiti's sponsors, are meeting with the press today. Further details will be provided later.

Rey Denies IMF Contract

FL1807205691 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 18 Jul 91

[Excerpts] During a news conference, Minister of Finance Marie-Michele Reyand and Minister of Planning Renaud Bernardin denied rumors that Haiti has signed a contract with the IMF that is contrary to the interests of the Haitian people. The ministers explained that they are still in the negotiation stage with the IMF and have not reached the point of signing any agreement. The following is a report prepared by Frankel Valentin.

The Haitian currency, the gourde, which has been linked to the U.S. dollar since 1919, will become unlinked in October and will become a floating currency, according to an announcement made by Minister of Finance Marie-Michele Rey on 17 July. The gourde is already an 80-percent floating currency and is already somewhat untied from the dollar. According to the minister, it remains linked to the dollar only for a portion of Haiti's foreign aid and for the purchase of petroleum. Mrs. Rey further explained that during the coming month the purchase of petroleum products will be made in the free market, with a temporary grant, however, for eight months to cover the increase in petroleum prices at the gas pump.

In October a portion of the foreign aid to Haiti, which will be granted at the official rate of five gourdes to one dollar, will completely pass into the free market, in which the gourde has been stabilized for several months at the rate of 7.5 gourdes to the dollar. The minister finally announced that soon an agreement with the IMF would be signed, a stand-by [as heard in English] agreement for $21 million. [passage omitted]

The minister denied having signed a letter of intention with the IMF or having made such a commitment on behalf of the Haitian Government. On 10 July in Paris, meeting with the World Bank Consultative Group, Haiti received an important commitment from the country's main sponsors, who offered to finance development projects for $440 million until December 1992.

Barnardin Cites Terms of Development Loan

FL1907201191 Port-au-Prince Radio Metropole in French 1600 GMT 18 Jul 91

[Excerpt] Some $442 million dollars was the amount promised to Haiti by its sponsors to finance development projects for a period of 18 months. These new numbers have been announced by the governmental negotiating team, which attended the meeting in Paris with the World Bank consulting group.

Minister of Planning Renaud Bernardin, Minister of Finance Marie-Michele Rey, and Minister of Public Works Verela have expressed great satisfaction with the results obtained in Paris. The government must now prepare technical studies of the projects for the international monetary authorities' approval.

The head of the governmental mission, Renaud Bernardin, noted in statements to the press on 17 July the international community's willingness to help Haiti and emphasized the recognition of the legitimacy of the government. He also specified that these loans will be provided at a low interest rate. [passage omitted]

Canada Donates Wheat To Finance Projects

FL1907193691 Port-au-Prince Radio Metropole in French 1600 GMT 18 Jul 91

[Excerpt] Canada offered 5,500 tons of wheat to Haiti for financing rural development projects. On 17 July, a draft treaty was signed between the Haitian and Canadian Governments for a grant to supply Haiti with 5,500 tons of wheat, equivalent to $3 million Canadian. This wheat should help to fulfill Haiti's cereal deficit and will be sold at the Haiti Flour Mill. The profit from the sale will be deposited in Haitian-Canadian compensation funds to finance development projects, especially in rural zones.

Renaud Bernardin signed this agreement for the Preval Government, specifying that food aid was welcome, and asserting that the current government knew how to use it. [passage omitted]

Senator Resigns From Foreign Affairs Commission

FL1907214091 Port-au-Prince Radio Metropole in French 1600 GMT 18 Jul 91

[Excerpts] National Front for Change and Democracy [FNCD] Senator Emmanuel resigned from the Senate Foreign Affairs Commission. He explained why to Gaillo Joseph.

[Begin Joseph recording] On 17 July FNCD Senator Wesner Emmanuel resigned from the Senate Commission on Foreign Affairs. This second resignation by a senator from the western region comes less than 24 hours after disagreement among the senators over the examining procedure for ambassadorial appointees. Such an examinination should, upon favorable notice from the Senate Commission of Foreign Affairs, facilitate the approval of the three ambassadorial candidates recommended by the executive.

The news about Wesner Emmanuel's resignation from the Commission of Foreign Affairs confirms reports of several months of unrest in the Senate, a situation that Senator Emmanuel compares to a jungle; to the last drop of water which overturns the vase. He cites insults and filthy comments from Senator Rony Mondestin from the North, representative of the Movement for National Reconstruction. [passage omitted]

Senator Rony Mondestin contemplates Emmanuel's explanation for his resignation. The northern representative considers the press conference by Senator Emmanuel a maneuver to divert public attention from important issues. [passage omitted]

After the dissension between the executive and legislative branches, it is now the Senate where things are not going well. The Senate of the Republic has witnessed several coarse scenes during which some senators have almost gotten into fights, either over influence or for position. One such altercation last week involved the fiscal branch of the Senate, the object of intense desire for some senators. [end recording].

El Salvador

U.S. Priest Reportedly Arrested 17 Jul

PA2107224291 Paris AFP in Spanish 2105 GMT 21 Jul 91

[Text] San Salvador, 21 Jul (AFP)—Monsignor Gregorio Rosa Chavez, auxiliary bishop of San Salvador, reported today that on 17 July Salvadoran policemen dressed as civilians arrested U.S. priest Dennis Michael Hand in the densely populated residential area of Cuscatancingo, in the northern part of San Salvador.

During Sunday's homily, Rosa Chavez stated that the U.S. priest was arrested by order of the Cuscatancingo judge, who resorted to a "series of grave irregularities." Msgr. Rosa Chavez did not specify which jail the priest was taken to nor what the charges against him were, but he warned that "there are interesting details that should not be made public yet."

"This is certainly an unfortunate case. For the time being, we are not disclosing some elements that we hope to make public in the near future, when what is behind this case will be known," Rosa Chavez told journalists. According to Rosa Chavez' version, "two women" who were reportedly at the church were arrested with the U.S. priest. It was also learned that Msgr. Arturo Rivera y Damas sent a letter to the authorities demanding the release of Father Hand, "as there is no reason for his detention and he did not commit any crime."

Meanwhile, Rosa Chavez questioned the San Salvador Declaration issued on 17 July by the Central American presidents after holding their 10th summit, because "the final document does not even mention that there is violence on the part of government institutions such as the Armed Forces." Msgr. Rosa Chavez added: "The summit did not meet the expectations of the population, particularly on the issue of peace and violence, where a more realistic, clear-cut, and categorical approach was expected."

Regarding the issue of violence, the Central American presidents only demanded the demobilization and cease-fire from the guerrillas. In addition, they hailed "the efforts" by the government of Alfredo Cristiani to find a negotiated solution to the crisis.

Rosa Chavez also questioned the conditions for regional economic integration that were agreed on at the summit. "The summit was deficient from an economic standpoint because the presidents had a picture which we consider incomplete and very negative for the poor of the Central American countries," Msgr Rosa Chavez stated.

Going back to the issue of violence, Rosa Chavez stated that his country "is experiencing a very dark and worrisome situation." He declared that over the past week, 84 people died in the country's civil war. Rosa Chavez lamented the worsening of the military actions, as well as the reappearance of the death squads, which "threaten to launch a wave of terrorism in order to boycott the peace process between the government and the rebels."

"At this time when everything is becoming complicated because of the dangers of a new wave of terrorism, as appears probable in the future, I think it is imperative that the peace efforts be expedited, because the price that Salvadorans are paying is too high," Rosa Chavez noted. The Salvadoran priest added that "some sectors are trying to boycott the negotiations, because they do not agree with what is being discussed. These sectors are powerful and they do harm, generate violence, and cause deaths."

Rosa Chavez underscored the efforts of the United Nations to try to bring peace to the country. He requested support from a mission of UN observers that will arrive in the country next week to supervise human rights. The mission of United Nations Observers for El Salvador (ONUSAL), comprising nearly 200 civilians and soldiers from five countries, received threats last week from the self-styled Salvadoran Anticommunist Front (FAS).

Finally, Rosa Chavez requested the release of two prominent businessmen who were reportedly kidnapped in the last few days by the guerrillas and unidentified groups.

Nicaraguan Official on Ending Support to FMLN

PA2107004291 Mexico City NOTIMEX in Spanish 2301 GMT 20 Jul 91

[Text] San Salvador, 20 Jul (NOTIMEX)—Nicaraguan Vice President Virgilio Godoy said here today that his government wants to end the logistical support that members of the Sandinist People's Army [EPS] continue to provide to the Salvadoran guerrillas.

Godoy said the situation continues because "it is difficult to control a military and security structure that for 10 years was ruled by a political-military organization (the Sandinist National Liberation Front)."

Representatives of the Salvadoran Government and Armed Forces have reiterated that some EPS members continue to provide "logistical, political, and moral" support to the FMLN [Farabundo Marti National Liberation Front] rebels.

The vice president said that his government has "real political will" to stop the shipment of weapons, but he added that it must be understood that his country "is going through a transition period."

The vice president spoke after participating in the "Central America and its Future" meeting, which Salvadoran Vice President Francisco Merino opened in a San Salvador hotel today.

The meeting, which is sponsored by the Institute of Studies of Central America and Panama (IESCAP), was also

attended by Guatemalan Human Rights Ombudsman Ramiro De Leon and Panamanian Government Minister Juan Chevalier, among other personalities.

Offices of 'Leftist' Party Reportedly Attacked

PA2107161491 Paris AFP in Spanish 1509 GMT 21 Jul 91

[Text] San Salvador, 21 Jul (AFP)—Unidentified people threw two fragmentation grenades at the offices of the Social Democratic National Revolutionary Movement (MNR) in San Salvador yesterday evening, it was reported today by spokesmen of the organization.

The attack, which caused no casualties, occurred at 2000 when party activists were parking a vehicle in the building's garage, located a few meters from the U.S. Embassy. The two grenades exploded in front of the building's main gate, causing minor damage to the structure.

The MNR, founded by the late Social Democratic leader Guillermo Ungo, is part of the leftist alliance Democratic Convergence, which has eight deputies in the Legislative Assembly.

The event occurred at a time when extreme right death squads have increased their threats against leaders of groups which oppose Alfredo Cristiani's administration and against officials of international organizations like the United Nations.

MNR Secretary General Rene Flores, who is also a deputy, reported that he had been threatened with death one month ago by clandestine extreme right Salvadoran groups.

In addition to their threats against politicians and Catholic Church groups, the death squads perpetrated a macabre crime two weeks ago when they murdered a community leader.

Party Denies Rumors of D'Aubuisson's Death

PA2007135291 San Salvador Radio Cadena YSKL in Spanish 1211 GMT 20 Jul 91

[Text] Yesterday San Salvador Mayor Armando Calderon Sol denied rumors of the death of Major Roberto D'Aubuisson, deputy from and long-time leader of the ruling Nationalist Republican Alliance, who is undergoing medical treatment in the United States for a malignant tumor.

Calderon Sol, president of the party, said Maj. D'Aubuisson is undergoing radiation treatment for a malignant tumor in his neck and shoulder and that (?it has not been reported) how long the treatment will last. In view of the reporters' insistence about the seriousness of the politician's condition, Calderon Sol said that, according to D'Aubuisson's family doctor, the tumor is malignant. D'Aubuisson is being treated because this tumor might kill him, the mayor said.

D'Aubuisson, a founding member of the party and its honorary president for life, has been hospitalized at the Houston Methodist hospital, where he received similar treatment once before. During a news conference on 19 July, Calderon Sol admitted that D'Aubuisson's disease is deadly.

ARENA Confirms Kidnapping of Treasurer

PA2107041591 San Salvador LA PRENSA GRAFICA in Spanish 20 Jul 91 p 5

[Text] Guillermo Sol Bang, high-ranking leader of ARENA [Nationalist Republican Alliance], was kidnapped by three armed men when he left his private office located on 12th West Street, Flor Blanca neighborhood.

ARENA leaders Armando Calderon Sol, Roberto Angulo, retired Colonel Sigifredo Ochoa Perez, and Jose Roberto Cano confirmed that Sol Bang, treasurer of the ARENA National Executive board, was kidnapped at noon on 18 July.

In a news conference, Calderon Sol very emotionally said: "There is grief in ARENA. A distinguished gentleman who has struggled for democracy has suffered this outrage."

Deputy Roberto Angulo condemned the kidnapping and said that these actions, which "hinder the efforts for peace, are condemnable regardless of who is responsible for them." According to Angulo, those who have carried out the kidnapping "are the ones who oppose peace and democracy in El Salvador."

ARENA President Calderon Sol said he does not know who is responsible for the kidnapping but added that it might be politically motivated. However, he said it is too premature to directly accuse any group.

The ARENA Executive Committee demanded, on behalf of the party and Sol Bang's family, respect for the victim's life. It appealed to the kidnappers to return him to his home as soon as possible.

The kidnapping of the ARENA leader has been reported to the OAS, the United Nations, and human rights organizations and other international organizations.

After ARENA officially reported the kidnapping of Guillermo Sol Bang, it was learned that cotton grower Gregorio Zelaya has also been kidnapped. A DPA news agency report said that Gregorio Zelaya, owner of farms in Usulutan Department, has been kidnapped. Regarding the case of Sol Bang, the ARENA president did not blame any group but hinted that the kidnapping comes from "the enemies of peace."

The DPA report said that circles close to ARENA have ruled out the FMLN and "instead believe the kidnapping was carried out by individuals who have established the kidnapping business in this country and who take advantage of the country's political situation and tension."

Nicaragua

FSLN Holds First Party Congress 19 Jul

Leadership Election Debated

PA2107042991 Managua BARRICADA in Spanish 20 Jul 91 p 4

[Report by Roberto Larios]

[Text] Intense debates took place on 18 July during the phase prior to the opening of the first FSLN [Sandinist National Liberation Front] Congress. During this prior phase, the regulations for the Sandinist Party's highest body—the congress—were approved and went into force on 19 July.

Based on the deep self-critical thought within the National Directorate, Commander Daniel Ortega proposed that the congress hold a preliminary debate on controversial Article 39 of the regulations, which establishes how to elect the DN [National Directorate].

Commander Ortega expressed the leadership's concern over the scanty self-critical spirit that has characterized the debate on verticalism and other topics of the FSLN's internal life, which have been widely discussed in the media.

He clearly stated that Sandinism's internal debate cannot be closed and he urged the delegates to continue the debate from a self-critical position, "assuming the responsibility we all have as active members."

Before turning the floor to the delegates, Ortega invited them to support an election through the "slate" system, because it is necessary in view of the country's current political situation, when there is an offensive by the extreme right wing and the United States against the revolution and Sandinism.

Ortega stated that voting for individuals might cause friction and disagreements within the front at a time when the Sandinists should unite and strengthen their cohesion to face the offensive by vindictive individuals.

The spokesmen of the 19 departmental delegations immediately requested the floor to express open support for the position voiced by Commander Daniel Ortega.

William Flores, coordinator of Managua's Sixth District, opened the debate, stating his opposition on the election through the slate system and demanding that the election of the National Directorate be by direct and secret vote for individuals.

Flores was supported by the national leadership of the 19 July Sandinist Youth [JS] and the students, among them Henry Petrie, Maria Ramirez, and Rafael Henriquez, who described Commander Ortega's arguments about the country's political crisis as "not very convincing." Throughout its history, they argued, the FSLN has faced greater crises and no division has occurred. They warned of the danger of institutionalizing a situation like the present one.

Although this position was not supported by the departmental delegations, they stated that they were making this proposal, expressing the view of nearly 40 percent of the capital's members, who in their Departmental Congress voted for the election of individuals.

The youth leaders were supported by all the JS departmental delegates, with the exception of those from Chontales and Chinandega who criticized them for speaking on behalf of the JS National Youth when in fact not all the departmental delegates had been consulted.

Through the debate, which lasted until after midnight and in which approximately 60 speakers participated, consensus began to be reached about the proposal for election by slate. Only a sector of the Managua delegates and the JS leadership opposed that position.

As a result of the consensus, it was decided to establish the system of election by slate but only in this congress, reaffirming the majority will that in the future it will be through a direct and secret vote for individuals. Several opinions in this regard led to applause from the delegates.

The majority of the delegation from Managua Department then accepted the election through this system but on the condition that Commander Dora Maria Tellez be included on the slate, as the Departmental Congress had decided.

A group of women from Managua immediately backed Commander Tellez' candidacy and even threatened to bring a demonstration of women from the Managua markets and districts to the congress to support their delegates' position.

Other members, such as Carlos Guadamuz from the Sandinist Assembly, said that Dora Maria Tellez did not have nationwide representation. They proposed that other women, such as Doris Tijerino, Benigna Mendiola, Leticia Herrera, and Monica Baltodano could also aspire to be DN members. This position was supported by several departmental delegates, such as Margine Gutierrez from Matagalpa.

Dora Maria Tellez spoke as spokesperson for the Managua delegation and recounted the discussions in the Departmental Congress. She said she personally disagreed with the election by slate but she accepted it on the basis of the arguments voiced by the National Directorate. She thanked the Managua delegates for their support for her candidacy but she confirmed her decision to decline the nomination.

On seeing that the proposal to include Comander Tellez in the slate did not have the majority support of the congress, Commander Luis Carrion, as moderator, submitted the proposal on the election by slate to a vote.

However, he first clearly stated that the delegates have full freedom to present another slate with the members they want.

According to unofficial figures, the election of the National Directorate through a slate of seven to 10 members was approved by an overwhelming majority of 480 to 60 votes.

Commander Daniel Ortega urged the delegates to maintain the position agreed upon in the debate and he invited the "losers" to join the position of the majority.

He expressed recognition of the attitude of the 19 July Sandinist Youth, stating: "I would be worried if in this congress the youth had not expressed their historic rebellion."

On 19 July, the JS reaffirmed their decision to accept the will of the majority. "We accept it. It would be undemocratic if we continued to maintain a minority position. Well, we will wait until the next congress," Rafael, "Payo," Henriquez told BARRICADA.

Ortega Opens Congress

PA1907191591 Paris AFP in Spanish 1739 GMT 19 Jul 91

[Text] Managua, 19 Jul (AFP)—Former Nicaraguan President Daniel Ortega today inaugurated the First Congress of the Sandinist National Liberation Front (FSLN) with an urgent call on the Third World countries to struggle against capitalism.

In the presence of 581 voting delegates and 170 representatives of 83 political parties from around the world, the Sandinist leader said that "we cannot view or understand capitalism as a panacea. We reject it, are victims of it, and struggle against it."

The inauguration ceremony was held at the modern Olof Palme Convention Center in Managua. A government delegation also attended as a guest. The government delegation was headed by Government Minister Carlos Hurtado, a former FSLN member.

Over the next three days the delegates to the congress will discuss and approve the new FSLN statutes as well as its principles and programs

The delegates also will, secretly and individually, elect 120 members of the Sandinist Assembly and the new executive branch, which will be directed by the secretary general. Former President Ortega will occupy that office.

The election of the new directorate will be held as a bloc; and the only ticket will officially include the current members, Daniel Ortega, Tomas Borge, Victor Tirado, Humberto Ortega, Henry Ruiz, Bayardo Arce, Jaime Wheelock, and Luis Carrion.

The new faces will be former Vice President Sergio Ramirez and the current minutes secretary, Rene Nunez.

During his speech the Sandinist leader pointed out the "solidarity of the relations" his government holds with the Soviet Union and Cuba, terming them as an "example of brotherly and respectful relations which must be cared for and deepened."

In self-criticism, Ortega accepted the "negative phenomena" of authoritarianism, lack of sensitivity to the rank and file, silencing of criticism, a bureaucratic style of leadership, and the imposing of organizational plans.

This first congress—costing $350,000—also coincides with the 12th anniversary of the FSLN victory over the Somozist dictatorship.

Report Presented to Congress

PA1907194091 Mexico City NOTIMEX in Spanish 1750 GMT 19 Jul 91

[Text] Managua, 19 Jul (NOTIMEX)—The National Directorate of the Sandinist National Liberation Front (FSLN) today called on its members to eradicate authoritarianism, bureaucratism, the lack of sensitivity toward the rank and file, and the silencing of criticism.

Presenting its main report to the first congress of the opposition party which opened today, the National Directorate stressed the need to "submit ourselves to criticism as a condition to eradicate" errors.

"The FSLN National Directorate accepts main responsibility for not having adequately corrected these practices, and, in some cases, for having reinforced them," the report read by former Nicaraguan President Daniel Ortega stated.

It admitted that the main objective was, "more than the search for consensus, the consolidation of the revolution's social base. The FSLN acted as a part of and an extension of the revolutionary state to defend it and to support its actions."

As for individual negative behavior, it stressed that "some comrades had life-styles that contrasted with the difficult conditions being experienced by the majority of our population."

The National Directorate's main report is considered to be one of the most important topics, after the election of party leaders, that the 581 delegates to the three-day congress will discuss.

The document does not explicitly refer to the charges by various sectors to the effect that many FSLN leaders and members enriched themselves from state assets and illegally seized houses and land.

The National Directorate highlighted the participation of Christians in the revolution, but it also indicated that "there were strong disagreements with the Catholic Church leaders" with regard to such issues as the participation of priests in the government.

It admitted that during the war years, "grave abuses and outrages were committed by members of the Sandinist People's Army and Interior Ministry, as well as by FSLN leaders and officials."

These abuses, "in addition to the mass conscription into the military service and the painful reality of the war, were rejected by large sectors of the population and made them a point of irritation for the revolution," the report added.

Along with the internal errors, the report stated that "the war promoted by the United States" became the main cause of the electoral defeat that the Sandinists suffered in 1990 and that led them to turn over power after more than 10 years in government.

"The results of the elections were the expression of the erosion that all of Nicaraguan society suffered, beginning in 1984, as a result of the U.S. Government's interventionist policy," the report indicated.

"The electoral defeat was also the cost paid to guarantee the historic achievement of defeating the U.S. objective of destroying Sandinism," the report added. Nevertheless, it stated, the electoral defeat "was not a strategic defeat because it occurred within the parameters established by the constitution," in others words, the constitutional framework and the strength and legitimacy of the Armed Forces.

Borge Elected President

PA1907190791 Managua Radio Sandino in Spanish 1700 GMT 19 Jul 91

[Live report by unidentified reporter from Olof Palme Convention Center in Managua]

[Text] The people who were elected by a broad majority as directors of the Commander Carlos Nunez Tellez First Congress of the Sandinist National Liberation Front [FSLN] are now approaching the board of directors table.

Commander Tomas Borge Martinez was elected president; Commander Dora Maria Tellez and Lucio Jimenez were elected vice presidents of the board of directors; Alejandro Martinez Cuenca was elected secretary. Other elected members of the board of directors are Henry Tefel and Ray Hupper.

This board of directors was elected to coordinate the activities of the Carlos Nunez Tellez first congress. Approximately 544 delegates, out of a total of 589, are participating in this congress.

The program will now continue with the board of directors presiding over the congress. The board of directors members have already taken their seats. Now let us listen to Tomas Borge Martinez speaking as president of this board of directors.

[Borge, in progress] ...and on my own behalf, I want to thank you for your trust in us. You are the supreme body of the FSLN.

I view presiding over the First FSLN Congress as the highest possible honor a Sandinist militant may have. We assume this post with responsibility and humility. This post obligates us to maintain intact the memory of those who, with their sacrifices, made this meeting, this embrace, this rebirth possible.

Some of these people are Carlos Fonseca, an heir to Augusto Sandino, and Carlos Nunez, who is really presiding over this unrepeatable and unprecedented moment. [applause]

We reiterate the greeting that Commander Luis Carrion delivered to the foreign delegations that came here today to state their solidarity with the Nicaraguan people and the Sandinist people's revolution. [applause]

We remember the support that you, brotherly foreign delegates, gave us in a firm and unselfish manner for more than a decade.

This First FSLN Congress, we repeat, will take place under the intense light of party democracy, under the unmistakable banner of unity. The discussions that take place during the next few hours and days will take place in this framework. We have no doubt about that.

Companero members of the congress, brothers of the FSLN National Directorate, you can be certain that we will do all we can to fulfill the task assigned us. We will do it with the same energy, modesty, enthusiasm, and zeal with which we have fulfilled past tasks and will fulfill future tasks.

Thank you.

Cuban Politburo Member Speaks

PA1907232791 Managua Radio Sandino in Spanish 1907 GMT 19 Jul 91

[Statements by Cuban Communist Party Politburo member Osmani Cienfuegos to the Sandinist National Liberation Front National Congress in Managua on 19 July—live or recorded]

[Text] Commander Tomas Borge, president of the congress: Greetings from the Cuban people and their Communist Party to the FSLN [Sandinist National Liberation Front] National Congress. [applause] Our solidarity was with the sons of Sandino and Carlos Fonseca in the gloomy days of Somoza; our solidarity was with the glorious insurrection in facing the imperialist aggression and blockade; our brotherhood was with the Nicaraguan people, who were able to enrich the land with their blood.

My delegate friends and invited guests:

The U.S. Government dreams of the end of the Cuban revolution. They have unleashed a campaign to confuse,

discourage, and soften us. Encouraged by the fall of Eastern Europe, they are trying to orchestrate an opposition against Cuba from abroad with a small group of old counterrevolutionaries. Today's mercenaries are the Batistas, Somozas, and traitors of yesterday. Today's mercenaries are the figureheads, who travel the world just to obstruct, to pressure, and to blackmail. The instruments of the orchestra are put there and are paid by the empire. They do not lack musicians, but they will not pass. [applause]

Cuba has not been abandoned and is not isolated. Cuba is accompanied by the respect, dignity, and solidarity of people. Cuba is accompanied by internationalists such as Maximo Gomez and Ernesto Che Guevara. [applause] With the example, the intelligence, the courage, and the firm revolutionary commitment of our immense Fidel, today we are stronger and we count on a united people, who are aware of the role they must play. Cuba will resist and will prevail. [applause]

We have a commitment to history. We also have a commitment to our dead. Currently, the important Ibero-American summit in Guadalajara is being held. Cuba supports all pluralist efforts to achieve a stategy of integration as well as Latin American economic and political unity, where our true identity and independence may prevail. We have to set the course for the continental heritage of Simon Bolivar and Jose Marti for a common American fatherland.

Fellow Sandinists, all congresses are described as historic. This Sandinist Congress will be historic because it will preserve and achieve new heroic victories for the people of Sandino. [applause]

Marti said: Trees will be lined up so that the giant of the seven (?leagues) cannot pass. The time has come to march together. To face the great difficulties, we will always have the memory of those who fought with determination and died. Those who have survived in Cuba and Nicaragua are privileged. We have the sacred duty to move ahead for a new fatherland, for a new America.

(?Cardenal) said [words indistinct] with the oath of: Free fatherland. History is not over. Always toward victory! Viva Sandino! [delegates shout: "Viva!"]

Ortega Makes Speech

PA2007023091 Managua Radio Sandino in Spanish 0007 GMT 20 Jul 91

[Speech by Sandinist National Liberation Front, FSLN, Commander Daniel Ortega at a rally sponsored by the FSLN Congress to commemorate the 12th anniversary of the Sandinist victory over the Somoza regime, held at the Plaza of the Revolution in Managua—live; broadcast in progress]

[Excerpts] ...we commemorated the victory of the Sandinist people's revolution in this same plaza 12 years ago. Today, we join together to reaffirm our commitment to struggle for the justice, freedom, and democracy that we conquered for Nicaragua on 19 July 1979. [applause] [4-second break in transmission] The enemies of the revolution assert that Sandinism is dead. [crowd shouts: "No"] The enemies of the revolution repeat that Sandinism has lost all the people's support and backing. [crowd shouts: "no"] Why then is this myriad of people meeting here on this 19 July 1991? [shouts] [10-second break in transmission]

The people meeting here in this plaza on 19 July 1991 have come to confirm that Sandinism gets stronger every day, that Sandinism is more combative every day, and that Sandinism is a force that gains more support among the Nicaraguan people every day.

We, my brothers, are celebrating the first FSLN Congress. We have started our sessions at the Olof Palme Convention Center and they are being attended by delegations, by representatives from all over the country. Now that we are at this plaza, we can say that the Sandinist grassroots organizations and Sandinist people are expressing their support for the first FSLN Congress.

Where are the Sandinist people? [crowd shouts indistinct response] Where are Sandino's red and black flags? [crowd shouts indistinct response] Where is Carlos Fonseca's spirit? [crowd shouts indistinct response] Where is German Pomares' example? [crowd shouts indistinct response] Where is the combativeness and the heroism of our heros and martyrs? [crowd shouts indistinct response] Who can ensure the defense of the revolutionary attainments? [crowd shouts indistinct response] The people, the workers, and the Sandinists at the head of the people are the ones who can ensure us the defense of the revolutionary accomplishments.

The enemies of the people, of the poor people, of the workers, have introduced bills at the National Assembly to make history go backward, to make Somozism return to Nicaragua. Will the Nicaraguan people allow Somozism to return to Nicaragua? [crowd shouts: "no"] Will the Nicaraguan people allow history to go backward? [crowd shouts: "no"] The extremist UNO [National Opposition Union] deputies can make many laws in the National Assembly, but the people have the last word. The people will know how to defend the Constitution because these bills were introduced with unconstitutional laws. [passage omitted]

Where are the youth of Nicaragua? Where are the fighting men and women of Nicaragua? Where are the heroes of Sandino?

On this 19 July 1991, we want to submit to the people the proposal [shouts, Ortega rephrases thought] on this 19 July we want to propose to the people gathered here, we want to submit to the people the proposal by the FSLN Congress to elect the FSLN Directorate in this congress. This FSLN Directorate will include companeros Tomas Borge [shouts], companero Victor Tirado Lopez [shouts], companero Humberto Ortega [shouts],

companero Henry Ruiz [shouts], companero Jaime Wheelock [shouts], companero Bayardo Arce [shouts], companero Luis Carrion [shouts], companero Rene Nunez [shouts], companero Henry Ruiz [shouts, applause], and companero Daniel Ortega [shouts].

Now that the people are gathered here, we want to know if you agree to have the congress give its support to this proposal. Lift your hands and banners. [shouts] Companeros, companeros, audio is not very good. Enthusiasm is too great. On this 12th anniversary of the Sandinist [illegible]ple's revolution, we want to reaffirm here our commit[illegible]t of blood with those who struggled for Nicaragua, for [illegible]e who gave their lives in the fight against the Somozist dictatorship, and for those who died in the fight against the imperialist aggression, as well as those who defended the revolutionary achievements.

Companeros, Nicaraguan brothers gathered here, let us swear our loyalty to the blood of the heroes and martyrs. We reaffirm our commitment to continue fighting for peace, democracy, independence, and justice of the Nicaraguan people. Long live the 12th anniversary of the Sandinist people's revolution. [passage omitted]

National Directorate Expanded

PA2007035591 Panama City ACAN in Spanish 0239 GMT 20 Jul 91

[Text] Managua, 19 Jul (ACAN-EFE)—The National Directorate of the Sandinist National Liberation Front (FSLN)—coordinated by former Nicaraguan President Daniel Ortega—was ratified and expanded from seven to 10 members at a mass rally to celebrate the 12th anniversary of the Sandinist revolution today.

Ortega proposed the "election" of the 10 members of the National Directorate to a multitude of people who filled the Plaza de la Republica, which was massively supported by the thousands of people who attended the meeting.

Up to now, the Sandinist Directorate had consisted of seven "commanders"—Tomas Borge, Daniel Ortega, Jaime Wheelock, Henry Ruiz, Luis Carrion, Bayardo Arce, and Victor Tirado Lopez.

The new directorate members would be Sergio Ramirez, writer and former Nicaraguan vice president; General Humberto Ortega, current Sandinist People's Army [EPS] commander; and Rene Nunez.

Daniel Ortega explained that this proposal is the same one that was presented to the first FSLN congress inaugurated today and which will continue until 21 July.

"We ask those who support this proposal to expand the National Directorate to 10 members to lift your hands and your flags," Ortega asked the crowd and it responded with approval.

In this respect, Gen. Humberto Ortega has still not made any public comment and, according to FSLN sources, he has to sign a document accepting the candidacy before it is presented to the FSLN Congress. His acceptance would force him to resign as the EPS commander.

According to opinions by local political observers, it is a fact that the FSLN Congress will ratify Daniel Ortega's proposal, although the topic of the National Directorate's elections will not be discussed until 21 July.

The FSLN Congress is attended by 132 international guests from 83 parties in 43 different countries.

The 544 delegates, who are participating in the congress, and the Sandinist directorate, headed by Daniel Ortega, suspended the forum's sessions and went to the Plaza de la Republica to commemorate the 12th anniversary of the armed overthrow of the regime of Anastacio Somoza.

Spain's PSOE To Leave

PA2007153191 Panama City ACAN in Spanish 0459 GMT 19 Jul 91

[Text] Managua, 19 Jul (ACAN-EFE)—Former Nicaraguan Vice President Sergio Ramirez spoke tonight with the delegation from the Spanish Socialist Workers Party (PSOE), which did not attend the Congress of the Sandinist National Liberation Front [FSLN] that began today because of the presence of members of the radical Basque United People (HB) party, considered the political arm of the Basque Fatherland and Liberty (ETA) terrorist organization.

The PSOE delegation will return to Spain tomorrow in "indignation" over the presence of the three HB delegates.

Sources in the Spanish delegation told ACAN-EFE that their absence from the congress does not imply a rupture of relations between the PSOE and the Sandinists. The source said those relations will "continue on their normal course," despite the incident.

The sources added that tonight a dinner was held at the home of Edmundo Jarquin, former Nicaraguan ambassador to Spain and a Sandinist deputy, and was attended by former Vice President Sergio Ramirez and other guests.

The sources described the dinner atmosphere as "cordial," and said that "ideas were clarified" regarding the relations between the PSOE and the Sandinists, following the latter's explanation of the HB presence.

Elena Flores, international relations secretary of the PSOE's Federal Executive Commission, who heads the PSOE delegation, told ACAN-EFE that the presence of the HB representatives at the congress created an "unbearable situation."

Manuel Hernandes, first secretary of the Spanish Embassy in Nicaragua, told ACAN-EFE that he withdrew from the inaugural session of the FSLN Congress in protest over the HB presence.

Sandinist "Commander" Henry Ruiz, who is in charge of international affairs within the FSLN Directorate, went to the hotel where the PSOE delegation was staying and offered them extensive explanations.

Ruiz said that he regretted the situation, but that it was too late for him to do anything and that he understood the PSOE's decision not to attend the Sandinist Congress. The congress, the first ever held by the FSLN in its three decades of existence, will end on 21 July.

The Sandinist leaders acknowledged that the incident had been a "tremendous mistake," although they also reiterated that it could not be attributed to any Sandinist partiality or any "desire to offend the PSOE delegation."

After receiving the explanations, Flores said that the incident could not be blamed on all Sandinists, but rather on a certain sector that acted on its own. She did not identify the sector.

HB Presence 'Error'

PA2107174091 Panama City ACAN in Spanish 1744 GMT 20 Jul 91

[Text] Managua, 20 Jul (ACAN-EFE)—Spanish political sources reported today that Daniel Ortega, former president of Nicaragua and top leader of the Sandinist National Liberation Front [FSLN], has admitted to a delegation of the PSOE [Spanish Socialist Workers Party] that the presence of members of the United People [HB], a radical Basque party, at the FSLN's first congress was an "error."

On Friday night in Managua two of the seven "commanders" of the FSLN directorate reiterated to a delegation of Spain's ruling PSOE "broad explanations" of this "error," which led the socialist politicans to withdraw from the congress that is in its second day today.

Helena [as received] Flores, PSOE international relations secretary, and Miguel Angel Martinez, spokesman for the Congress of Deputies, make up the Spanish delegation that is returning home today in annoyance over the presence of members of the HB, which is considered to be the political arm of the ETA [Basque Fatherland and Liberty] terrorist organization.

Both members of the Spanish delegation told ACAN-EFE today that "Commanders" Daniel Ortega and Henry Ruiz, as well as former Nicaraguan vice president Sergio Ramirez, said that they in no way identify with the radical Basque party.

The high-ranking Sandinist leaders also admitted that there is no reasonable explanation for the error committed by what they described as "a remnant of an old party apparatus that reflects the past and that is not in agreement with the plans that are being discussed in the first congress."

The PSOE delegation, which had been scheduled to remain in Managua until Monday, returned to Madrid today after a stopover in Miami.

The meeting between the Sandinist leaders and the members of the Spanish delegation took place during a small dinner party at the home of Edmundo Jarquin, former Nicaraguan ambassador to Spain and second secretary of the board of directors of the Nicaraguan parliament. Jarquin is married to Claudia Chamorro, daughter of Nicaraguan President Violeta Chamorro.

Update on Events

PA2107164991 Panama City ACAN in Spanish 1440 GMT 21 Jul 91

[Text] Managua, 21 Jul (ACAN-EFE)—The first Sandinist National Liberation Front [FSLN] Congress will close today with the election of the party's national directorate, which will have two additional members. The usual seven "commanders" will be ratified in their posts, several political sources have reported.

When the congress opened on 18 July 95 percent of the 544 delegates voted to have elections to the Sandinist Directorate, which includes "Commander" Daniel Ortega, be by direct secret ballot on the basis of a slate rather than by individuals. The delegates registered 10 candidates to be members of the National Directorate of the FSLN, an organization founded 30 years ago and which ruled Nicaragua from July 1979 to April 1990.

These candidates are "Commanders" Daniel Ortega, Luis Carrion, Bayardo Arce, Tomas Borge, Victor Tirado, Jaime Wheelock, and Henry Ruiz, who have been party leaders for more than 10 years. The list of candidates also includes ex-vice president Sergio Ramirez, Rene Nunez, and General Humberto Ortega, commander in chief of the Sandinist People's Army.

Sources within the congress reported that in Gen. Ortega's case, the electoral committee waived the requirement that his candidacy be accepted in writing. Had Ortega signed an acceptance of his candidacy, he would have been obliged to resign from his post as head of the army.

It is assumed that candidates Ramirez and Nunez will be elected without any complications. There are doubts, however, about the candidacy of Gen. Ortega, who has not commented publicly on being proposed for membership. If Gen. Ortega is not elected, FSLN National Directorate will only have nine members.

The congress, which progressed slowly last night on the debate and approval of party statutes, principles, and programs, will also elect a 120-member Sandinist assembly. This assembly, which had 85 members earlier, will become a deliberating, nonconsultative body, as it was before. It will also issue "special resolutions" on the country's present situation, including the thorny matter of the Sandinist takeover of residences and land after they were confiscated from Somozists. The resolutions

will also deal with the rural land disputes between Sandinist peasants and former Nicaraguan Resistance members. [passage omitted]

The resolutions of the congress, which will close at 1700 today, will be valid for three years.

Assembly Chosen

PA2107185491 Panama City ACAN in Spanish 1718 GMT 21 Jul 91

[Excerpt] Managua, 21 Jul (ACAN-EFE)—The first congress of the Sandinist National Liberation Front [FSLN], which will end today, has chosen its new assembly and defined the character of the organization that ruled Nicaragua over the past decade as a "revolutionary, democratic, and anti-imperialist party."

In its second day of sessions, the FSLN Congress established that the party, which was defeated in elections on 25 February 1990, will continue to defend the people's interests and reflect the traditions of the Nicaraguan people's historic struggle.

The anti-imperialist nature of the FSLN was one of the most heated topics that dominated part of the discussions of the almost 600 delegates, who gathered in Managua to determine the organization's future. [passage omitted]

FMLN Attends Congress

PA2107203691 Managua Radio Sandino in Spanish 1930 GMT 21 Jul 91

[Report by unidentified reporter from the Olof Palme Convention Center in Managua—live]

[Text] Commander Daniel Ortega met today with the Latin American, Middle East, and European delegations attending the Sandinist National Liberation Front, FSLN, National Congress. The international delegations attending the congress include one from the Farabundo Marti National Liberation Front, FMLN, which is attending as an observer.

The FMLN representatives, meaning Commander Joaquin Villalobos and Commander Ruben, gave a news conference a few minutes ago and said that the FMLN will not conduct a unilateral disarmament. They added that a unilateral disarmament in El Salvador is impossible despite the agreement between the Central American presidents, who agreed to demand the Salvadoran guerrilla groups' disarmament.

Nevertheless, the FMLN leaders said that the Salvadoran guerrilla groups are willing to join the country's political activities. They said that this is a unanimous decision and that they are searching for the mechanisms and ways to join civilian life. Neverthless, they said that a unilateral disarmament is out of the question. They also praised the mediation role played by the United Nations for the achievement of peace in El Salvador.

Ortega Elected Leader

PA2207042091 Paris AFP in Spanish 0321 GMT 22 Jul 91

[Text] Managua, 21 Jul (AFP)—Former Nicaraguan President Daniel Ortega was elected secretary general of the Sandinist National Liberation Front (FSLN) today during the last session of the first congress of the FSLN, a political organization founded at the beginning of the 1960's.

Ortega was confirmed as the highest leader of Sandinism. As was expected, six other members of the National Directorate were confirmed in their positions. Former Vice President Sergio Ramirez and former Presidency Minister Rene Nunez were also elected members of the FSLN National Directorate.

After his election, Ortega was given an ovation by his followers and approximately 150 political leaders of Latin America and Europe who participated in the event. The post of secretary general is new in the FSLN. Previously there was a collective leadership.

Along with Ortega, the congress also confirmed in the National Directorate "Commanders" Tomas Borge (one of the FSLN founders), Jaime Wheelock, Victor Tirado, Bayardo Arce, Luis Carrion, and Henry Ruiz, who was appointed party treasurer.

The congress approved the reincorporation of General Humberto Ortega, commander of the Army, into the National Directorate, but the brother of the former president declined the appointment so he could continue in the Army.

Gen. Ortega attended the closing of the congress accompanied by Presidency Minister Antonio Lacayo, the most influential minister in President Violeta Chamorro's cabinet.

In this congress, whose first elections were held through secret vote, the Sandinist National Directorate was defined as the body that "represents and provides day-to-day direction to the party."

The new Sandinist Assembly, which up to now had been the top body of consultation, was also elected. It is now defined as a "body of utmost decision-making."

The assembly is formed by 98 members, including Deputy Dora Maria Tellez, who was proposed as a member of the FSLN National Directorate in one of the departmental congresses.

The voting for the directorate, the Sandinist Assembly, and the post of secretary general was done through the system of slates.

The FSLN authorities will again be elected in four years during the second congress, which will be preparing for the 1996 general elections.

Panama

Authorities May Request Noriega Extradition

PA2007215991 Panama City Circuito RPC Television in Spanish 2257 GMT 19 Jul 91

[Text] Panamanian authorities indicated today that if Manuel Antonio Noriega, who is currently under arrest in Miami on drug trafficking and money laundering charges, is released, his extradition to Panama will be requested so that he can be tried for a series of charges ranging from association to commit crime to embezzlement.

Meanwhile, the Noriega case proceeds with private hearings in Panama while the strategies of both prosecutors and defense lawyers of the former Panamanian dictator are being drafted.

Noriega is considered a prisoner of war and a former collaborator of the CIA.

Columnist Views Plea Bargaining in Noriega Trial

PA2007211991 Panama City EL PANAMA AMERICA in Spanish 19 Jul 91 p 4-A

["Hidden Truths" column by Tomas A. Cabal: "Noriega's Release Is Immiment: It All Depends on Judge William Hoeveler"]

[Text] While General Manuel Antonio Noriega's prosecutors and defense attorneys are engaged in a complex legal dance that could result in a plea bargain favorable to the formerly powerful Panamanian dictator, the world's eyes are once again on Judge William Hoeveler.

Reliable reports obtained in Panama and Miami state that Prosecutor Pat Sullivan offered a plea bargain that Noriega initially rejected because he would have to plead guilty to one of the criminal charges he is faced with. The charge would have resulted in a sentence of 10 years or less.

Noriega, according to Attorney Joaquin Fernandez, a member of Frank Rubino's legal team, has changed his mind and will accept the arrangement as long as the jail term does not exceed the time he has spent in jail.

According to reliable sources, Noriega has informed his legal team that he is willing to face incarceration in Panama if the legal arrangement works out.

The general's defense attorneys are curious because there has been no reaction whatsoever from Panama and because the citizens have not taken to the streets in response to the possibility that Noriega may return to the country.

According to Panamanian sources, Noriega's attorneys will be in Panama on 23 July to coordinate their actions with Panamanian authorities who have been key players in the Noriega case. If the plea bargain in Miami succeeds, the results will be announced next week, the sources said. The general feeling among members of General Noriega's legal team is that the U.S. Government has capitulated, convinced that the trial and the matters that would come to light were it held would be more damaging than the people's reaction against President George Bush's government if Noriega is released.

It now remains to be seen if Judge Hoeveler will approve the plea bargain proposed by the prosecutors. It is customary for legal arrangements like this one to be approved by judges who recognize the need to save the taxpayers' time and money.

Nevertheless, judicial sources who are closely following the case in Miami agree that Hoeveler will probably begin the trial on the established date, despite the offer made by the prosecutors, because he does not want to bear the responsibility and political cost of immediately releasing Noriega.

A Los Angeles judge adopted a stance in the trial to clear up the torture and murder of Drug Enforcement Administration Agent Enrique Camarena in Guadalajara, Mexico. Realizing that U.S. authorities had acted in an irregular manner, not to say illegally, in ordering the kidnapping of a key witness, he allowed the trial to proceed. When the kidnapping of this witness and other actions that are not allowed were known, the judge threw the case out.

We continue to believe that Manuel Antonio Noriega's trial will begin on 3 September. We also believe that Judge Hoeveler will do the right thing. What we do not know is if the U.S. Government is ready to pay the political price of releasing Manuel Antonio Noriega: an action that would unquestionably demonstrate that the U.S. invasion of Panama was totally unnecessary and that the general does indeed have George Bush and his government by their ...

Colon Officials, Cargo Carrier Leaders Talk

PA2107214091 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Jul 91 pp 1, A-2

[Report by Claudio Herrera J.]

[Text] The authorities of Colon and the leaders of the cargo carriers renewed their talks yesterday at 1600 in search of an understanding to resolve the conflict that is negatively affecting Colon Free Zone operations.

LA ESTRELLA DE PANAMA spoke by telephone with spokesmen for the groups involved in the conflict, which has already resulted in the arrest of 56 transport sector leaders this past Thursday.

As late as yesterday, commercial activities in the Free Zone had not been normalized yet in spite of the fact that approximately 100 protesters who had blocked Free Zone streets with their trucks had been removed.

The conflict began when three carrier groups rejected Resolution No. 01-87, which breaks the control that carriers have over cargo.

Taxi drivers and students from the Abel Bravo High School yesterday joined the carriers' demonstrations at the entrance of the Free Zone. No one was arrested.

It has been reported that 17 of the 56 persons who were arrested Thursday night were released yesterday at 1600. The investigations in connection with these arrests were conducted by Second Circuit Court Prosecutor Agapito Guerrero.

It is believed that Free Zone businessmen have lost more than 60 million balboas because of the situation. This estimate does not take into consideration the effects that the problem will have on the service economy linked to the Free Zone.

Yesterday's negotiations took place in the Office of the Free Zone Administrator. Municipal Mayor Alcibiades Gonzalez, Colon Province Governor Alfredo Edhlers, transport sector leaders, and Colon Chamber of Commerce President Alonso Fernandez participated in the talks.

Transport Stoppage Announced

PA2107214291 Panama City EL PANAMA AMERICA in Spanish 21 Jul 91 p 1

[Report by Eduardo Soto]

[Text] The cities of Panama and Colon and probably the Province of Chiriqui will be paralyzed tomorrow when the collective transport drivers initiate a strike for an indefinite period to support the Colon Free Zone cargo vehicle drivers.

According to Gilberto Soto of the Colon-Panama Transportation Union [Utracolpa], the busses operating 14 routes in the province of Colon, including the one linking Panama City and Colon, will stop working at 0100 on Monday.

All of the Colon bus drivers will back these actions of protest that seek to restore the achievements of the small-scale entrepreneurs of the Serafin Nino Cooperative, the Transport Association, and the Colon Free Zone's Independent Trade Union.

Halfway through last week, the Colon cargo vehicles owners and drivers blocked the Free Zone's streets. The strike's leaders were arrested later.

The blocking—unjustified, according to the authorities—was intended to put pressure on the Free Zone administration, which attempts to privatize the cargo transportation there.

It has been said that the announced strike, in which the 110 busses of the Panama-Colon route will have stopped for the first time in the past 10 years, will affect nearly 12,000 people who travel to and from Colon daily.

In Panama, the members of the Union of Public Transportation Drivers [Sicotrac], led by Antonio Ferrer, will join the strike, which will paralyze Panama City's public transportation system on Monday.

This will be the first measure of pressure in which Ferrer's group will participate since 5 December, when he was investigated for his alleged involvement in a coup attempt against President Guillermo Endara.

UTRACOLPA's Soto has reported: "We are awaiting a call from Chiriqui." Among the groups supporting them, Soto mentioned La Victoria Transport Cooperative, which serves Chilibre and Puente Chagres.

It has been said that with these actions the province of Colon will be isolated and Panama City and the province of Chiriqui will be completely paralyzed.

Only last week, when the Free Zone was blocked for four days, the institution lost approximately $90 million.

What started as an action within the Free Zone has led to a general stoppage in Colon after the police implemented measures on Thursday, when 300 riot police cleared the Free Zone of demonstrators.

Free Zone sources have said that the institution loses $30 million every day because of these actions against the Colon Free Zone authorities.

Press Reaction to Plan for Economic Integration

PA2107215791

[Editorial Report] Panamanian newspapers have published several reactions to Panama's proposed incorporation into Central America's economy.

Panama City LA PRENSA in Spanish on page A1 of its 17 July issue publishes a 240-word report by Manuel Alvarez Cedeno. The report cites Ricardo Aleman, president of the Panama Chamber of Commerce, as saying on 16 July that President Guillermo Endara's remarks during the Central American presidents' summit in El Salvador on Panama's integration into Central America are the result of months of talks between the Panamanian Government and private sector representatives. "The important thing now is that Panama ceases to be an observer in Central America and announces its intention to talk directly with the Central American countries about the possibility of Panama becoming a member of the process." According to the report, Aleman said that the subject has also been discussed between Panamanian and Central American businessmen and that this integration "has several advantages and disadvantages for the country." According to Aleman, one of these disadvantages is that in the agricultural and industrial fields, production costs in Panama's economy are higher than in Central America.

Panama City EL SIGLO in Spanish on page 4 of its 17 July issue carries a 400-word commentary by Jaime Ortega in his "Period... and That's It" column entitled "Integration." Ortega criticizes President Endara's trip to El Salvador and his proposal to incorporate Panama

into Central America. To illustrate how forsaken Panama is in the minds of the Central Americans, Ortega points out that in San Salvador, "when Panamanian Foreign Minister Julio Linares and his spouse were to be introduced, the protocol director announced him loud and clear as 'Dr. Jorge Ritter and wife.'" Then Ortega points to the differences between the economies of Panama and Central America and comments: "While 80 percent of the Central American economy is based on agriculture and cattle-raising and these countries export billions in agricultural products, Panama's economy is almost entirely based on services." In addition, he says, production costs in Panama's agricultural sector are very high. Finally, Ortega declares: "Before making such a wild proposal, Endara should have consulted with the country's affected sectors. He would not have been allowed to take the proposal to El Salvador. Panama is historically more closely associated with South America than with Central America."

Panama City LA PRENSA in Spanish on page A1 of its 19 July issue carries a 175-word report by Manuel Alvarez Cedeno. The report cites Dario Selles, president of the Union of Panamanian Industrialists, as saying that a step as delicate as Panama's integration into Central America, as proposed by President Endara, should be carefully considered in advance. Selles reportedly said that he was "surprised." Panama can be integrated into Central America in the services sector only. "There are still many questions on agriculture and industry that should be cleared by the affected sectors." Selles pointed out to higher salaries and cost of electricity in Panama and the fact that Panama lacks paper currency.

Finally, the editorial of Panama City EL SIGLO in Spanish, published on page four of its 21 July issue, discusses the president's proposal. It says that, although "Endara, after 17 months in office, has been unable to solve tremendous problems of all kinds in the country, he recently got Panama into a fanciful venture of incorporation into Central America's economy." The editorialist also points his finger to the lower production costs in Central America and says that such integration would affect Panama's traditional economy of services. To drive his point home, he alludes to the import of powdered milk in the country due to the government's lowering import tariffs. He concludes by saying that this economic integration would force Panama "to sell not only public service institutions and all the islands, but the presidential building and its tenants as well."

Argentina

Congress Passes Bill Repealing Laws, Decrees

PY1907212291 Buenos Aires BUENOS AIRES HERALD in English 19 Jul 91 p 1

[Text] In a 21-hour marathon ending at 5:10 am yesterday morning, the Lower House defied President Carlos Menem and passed a bill repealing 26 laws and five presidential decrees referring to "privileged pensions."

The measure will go into effect "gradually" as of January 1, 1992, and will respect "all rights previously acquired" by people who had until then received such special benefits.

The decision met fierce government criticisms yesterday, especially the elimination of all privileged benefits including the Armed Forces and security and police forces.

President Carlos Menem warned on Tuesday that "the decree must be passed by Congress but the slightest amendment will be answered by another decree overruling it."

Nevertheless, the presidents of the Senate blocs agreed during a brief meeting yesterday afternoon that they would postpone until next Wednesday a session originally scheduled for yesterday to discuss the bill.

Government, Provinces Postpone Debt Negotiations

PY2107234091 Buenos Aires BUENOS AIRES HERALD in English 20 Jul 91 p 5

[Text] (NA)—Representatives of the federal government and the provinces agreed to defer negotiations on reciprocal debts for one month yesterday during a long-awaited meeting which resulted in little concrete results.

The federal government was represented by Economy Minister Domingo Cavallo, Interior Minister Julio Mera Figueroa and Presidential Chief of Staff Eduardo Bauza.

The majority of provincial governors attended the meeting, called to negotiate federal revenue sharing funds and oil royalties.

Absent from the meeting were governors Eduardo Angeloz (Cordoba), Vicente Joga (Formosa) and Hernan Cornejo (Salta).

These governors were represented by other provincial authorities.

During the three-and-a-half hour meeting held at the Ministry of the Interior, Cavallo said the provincial banks of La Rioja, Corrientes and Rio Negro required an "urgent" restructuring.

Buenos Aires Governor Antonio Cafiero stressed that his province would also allow private participation in the Buenos Aires provincial bank.

On the other hand, the provincial governors demanded full compliance of oil royalty payments, with some debt arrears running into hundreds of millions of dollars, according to the provinces.

Cavallo appeared open to negotiation at the meeting. The question "deserves careful consideration," he said and admitted that the control of natural resources must be put in the hands of the provinces.

Differences in criteria emerged, however, on the issue of reciprocal provincial debts.

Cavallo repeated his claim that total provincial debts to the federal government, including the debt of Buenos Aires province, stand at 1,700 million dollars.

Buenos Aires Governor Antonio Cafiero dismissed these figures and claimed a balance of between 300 and 500 million dollars in his own province's favour.

Two 'Important' Economic Officials Switch Posts

PY2107233491 Buenos Aires BUENOS AIRES HERALD in English 20 Jul 91 p 5

[Text] (NA)—In a game of musical chairs two important economy officials switched to new posts in their area yesterday.

Treasury Undersecretary Saul Bouer will leave his post to become public works undersecretary while current Public Works Undersecretary William Otrera will head the new Investment and Foreign Trade Bank at the Central Bank, it was reported.

Other changes yesterday included Mariano Grondona Jr. who will be leaving the Central Bank board of directors, and Martin Redrado, who will replace Marcelo Aiello at the National Securities Commission.

Reportage on President Menem's Wife's Communique

Zulema Yoma Explains

PY2007234091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1852 GMT 20 Jul 91

[Text] Buenos Aires, 20 Jul (NA)—Today, Zulema Yoma de Menem explained that she did not mean to implicate the nation's president and vice president in drug trafficking, adding that both her family and her children "are not involved in whatever they are being deviously charged."

This afternoon Zulema issued a communique stating that "if anyone wants to identify those responsible for the crimes...the president and vice president should be asked to provide the means and ways to do it."

Duhalde Orders Questioning

PY2007135091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2312 GMT 19 Jul 91

[Excerpts] Buenos Aires, Jul 19 (NA)—Vice President Eduardo Duhalde has issued orders for the justice under secretary to summon Zulema Yoma, wife of the nation's president, to explain a communique issued today in which she said: "If you want to find drugs, ask Menem and Duhalde."

Duhalde said he was forced to make that decision after learning of the communique in which, through her spokeswoman Marilu Giovanelli, Zulema Yoma referred to the so-called "Yomagate" and made a strong statement against members of the government.

The vice president said the communique was "the straw that broke the camel's back; if Mrs. Zulema Yoma has something to say, she must say it now." He then added that in his view, "the custom of making veiled accusations and converting police cases into scandals must end in this country."

The communique, which was made public by the first lady, said she told the commander of a police operation, who had planned to search her mother's apartment: "If you want to find drugs, ask Menem and Duhalde."

The communique added, "alerted by neighbors, Zulema Yoma went and confronted the police unit" that had gone to her mother's apartment to carry out Judge Ricardo Weschler's orders to search the apartment at 2000 Arenales Street in this capital.

Apparently, the police went to the apartment on orders from the judge, who had been tipped off that the place was being used by Zulema Yoma's sister, Amira Yoma, who has been fingered by both a repentant drug trafficker and an individual who has appeared in court in a drug money laundering case.

According to the communique issued through Marilu Giovanelli, Zulema Yoma told the police: "You are not going to sully my children's names or my name. You are not going to find drugs here; this is a decent home."

The communique states: "This apartment is my mother's property and I am the only person with access to it. I keep personal effects belonging to me and my children here." It also states that the president's wife told police: "If you want to know where the drugs and dirty money are, you should ask Menem and Duhalde." [passage omitted]

Duhalde said that he has not been able to inform President Carlos Menem of this episode; Menem is in Guadalajara, Mexico, for the Ibero-American summit. [passage omitted]

GATT Notified of Offer To Open Services

PY2107233091 Buenos Aires BUENOS AIRES HERALD in English 20 Jul 91 p 5

[From the "Business World" column]

[Text] (NA)—Argentina has offered to free "a wide range of activities" in a formal letter to the GATT General Agreement on Tariffs and Trade negotiators, International Economic Relations Undersecretary Alieto Guadagni announced yesterday. The opening up of communications, construction, financial, leisure and tourism services in Argentina is conditioned to the outcome of the upcoming Uruguay round of GATT trade talks, where Argentina and the rest of the Cairns group countries hope to benefit from the liberalization of trade of agricultural commodities, Guadagni said, and added that the Argentine offer will be withdrawn if the results of the GATT talks are unsatisfactory.

Embalse Nuclear Power Plant Closed for Repairs

PY2207034891 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 19 Jul 91

[Americo Sanchez relay from Cordoba]

[Excerpt] Sources at the Embalse nuclear plant in Rio Tercero, approximately 130 km from this capital, have reported that the Embalse nuclear plant will be closed for repairs to the fuel reloading system.

The sources added that the shutdown will last four or five days, if no other problems arise. [passage omitted]

Oil Production Up 1.8 Percent; Well Discovered

PY2107233891 Buenos Aires BUENOS AIRES HERALD in English 20 Jul 91 p 5

[From the "Business World" column]

[Text] (NA)—Argentine oil production in the first quarter of the year rose by 1.8 percent compared to the same period last year, the YPF [Government Oil Deposits] state oil company announced yesterday. Oil production was 13,919,883 cubic metres between January and June 1991, YPF said. Private firms increased output by 4.2 percent, while output of the state company fell by 3.4 percent. In related news, a new oil well of "important" size has been discovered in the Chulengo area of Comodoro Rivadavia Province, YPF announced.

Bolivia

Paz Zamora Calls Guadalajara Summit 'Historic'

PY2207035691 Madrid EFE in Spanish 0135 GMT 22 Jul 91

[Text] La Paz, 21 Jul (EFE)—President Jaime Paz Zamora said today in La Paz that the first summit of Ibero-American government leaders and chiefs of state

helped promote a better future for the continent. He also said that it constituted an historic moment in relations between countries of the Americas, Spain, and Portugal.

Paz Zamora arrived at El Alto International Airport, on the outskirts of La Paz, on a Lloyd Bolivian Airline commercial flight. Paz attended the first summit of Ibero-American chiefs of state and government leaders held in Guadalajara, Mexico, on 18 and 19 July.

Paz Zamora said Bolivia's participation in the "summit" helped achieve a joint discussion on the past and future of Ibero-America. He added he had proposed an action plan for the community to face the future together.

In Mexico, the Bolivian president proposed liberalization of world trade, promotion of investments in the Americas, and the establishment of a joint program to safeguard the environment of the Americas.

Paz Zamora also informed the Bolivian press that within the next 60 days, Argentine President Carlos Menem and Brazilian President Fernando Collor will be visiting Bolivia to discuss the possible sale of Bolivian gas. The meetings with Presidents Menem and Collor were agreed on in Guadalajara, Mexico, but the precise date of their visits was not established.

Bolivian gas exports, which are exclusively exported to Argentina until May 1992, represent 24 percent of all Bolivian exports. The Bolivian General Treasury obtains 60 percent of its income from gas and oil sales and the Bolivian Government intends to sell these products to other countries, such as Brazil and Chile.

Minister Says De Facto Extradition Law Changed

PY1907125691 La Paz Radio Fides Network in Spanish 1100 GMT 19 Jul 91

[Text] Interior Minister Carlos Saavedra has assured that de facto extradition is no longer in force, as it was in the past with drug traffickers Luis Arce Gomes [former interior minister in the Luis Garcia Meza administration extradited to the United States] and Erlan Echeverria [extradited to the United States to testify in the Luis Arce Gomez trial].

Government Denies Comments

PY2007130491 La Paz Radio Fides Network in Spanish 1100 GMT 20 Jul 91

[Text] Information Minister Mario Rueda Pena has denied statements by the Interior Minister Carlos Saavedra Bruno. Rueda Pena said the government has not yet made any decisions on possible demands for the extradition of drug traffickers, believing that it is up to the Supreme Court to decide on this matter.

[Begin recording] [Rueda Pena] In keeping with the Constitution and the law on judicial organizations, it is up to the Supreme Court, not the Executive Branch, to decide on this problem. The court must decide whether an extradition request is admissible or not.

[Unidentified reporter] Is it possible to authorize extradition?

[Rueda Pena] No, because a decision has not been made. [words indistinct] No decision has been made on legal implementation. [end recording]

Senate Praises President's Amnesty Proposal

PY2007182091 La Paz Television Boliviana Network in Spanish 0200 GMT 19 Jul 91

[Text] The president's proposal to get drug traffickers to surrender peacefully has received wide-ranging positive reactions. Lorgio Rivera, chairman of the Senate Narcotics and Drug Addiction Committee, comments:

[Begin recording] We have to commend President Jaime Paz Zamora's decision. He has shown a new path in the fight on drug trafficking. The measure, if successful, will prevent confrontations with major drug trafficking organizations. The president's message stressed this positive approach with the hope that important drug trafficking leaders will voluntarily surrender to Bolivian justice within the 120 day deadline. Their surrender will benefit them, because the Bolivian Government has promised not to extradite them. [end recording]

Prosecutor Says Traffickers Willing To Surrender

PY1907155291 La Paz Radio Fides Network in Spanish 1100 GMT 18 Jul 91

[Ricardo Diaz relay from Sucre]

[Text] Prosecutor General Angel Valdivieso has said that in our country, the top drug traffickers are inclined to voluntarily surrender to Bolivian courts on the condition that their lives and the lives of their families are protected.

[Begin Valdivieso recording] According to the information we have, there are clear signs that the top drug traffickers would surrender to Bolivian courts if their lives and their families' lives are protected. [end recording]

We asked Valdivieso if it would be appropriate to extradite drug traffickers who voluntarily surrender. He said:

[Begin recording] No, because if they voluntarily surrender [words indistinct] to put an end to this great problem affecting the country.

Minister: Alarming Increase in Cocaine Production

PY1907150491 La Paz EL DIARIO in Spanish 11 Jul 91 p 1

[Text] This country could be overwhelmed by drug trafficking, which is becoming the world's leading producer of crystallized cocaine, in just a couple of years,

seriously jeopardizing the integrity of the Republic, the Republic's institutions, and democracy.

This serious warning was voiced by Interior Minister Carlos Saavedra a few hours before the resumption of negotiations with coca producers at the Government House this afternoon.

The interior minister expressed his concern over the alarming increase in the production of crystallized cocaine in various regions, especially last year. He emphasized that if this situation continues, the country will become the leading cocaine hydrochloride producer in less than five years.

These remarks, voiced during negotiations at Cochabamba Department Prefecture offices less than 48 hours ago, specifically note an increase in illegal drug production activities, which have surpassed all expectations and actions carried out thus far.

Minister Saavedra pointed out that, until last year, Bolivia was considered the leading producer of coca and cocaine base, which had to be transported to sophisticated crystallization laboratories in Colombia.

Interior Ministry experts have admitted that the situation has changed and clandestine laboratories, situated in various regions in Beni and Santa Cruz Departments, have proliferated and are producing highly pure cocaine to be transported to European markets via Brazil.

The interior minister said this dramatic situation poses serious risks for the stability of the current democratic process and the national institutional system.

Pointing out that the government's efforts in the interdiction and alternative development tasks have not been entirely satisfactory, the interior minister emphasized that action must be taken against this deadly activity in order to prevent serious damage to the foundations of our nation.

The interior minister stressed that the Army must be included in antinarcotics actions and announced that these actions are designed to combat those who are directly involved in this illegal activity and not, in any way, to combat the humble coca producers of Chapare Region.

The minister categorically pointed out that the goal is not only to curb the production and trade activities of drug traffickers, but to try to reduce the large number of coca plantations.

Statistics show that coca production in the Chapare Region exceeds 60,000 hectares, when just 10,000 hectares are enough to meet traditional coca consumption demand.

The minister supported the implementation of drastic actions to reduce coca crops and more rapidly implement alternative development programs for thousands of families that, thus far, have not found another product to guarantee their livelihood.

Privatization of State Enterprises Approved

PY2007125691 La Paz Radio Fides Network in Spanish 1100 GMT 19 Jul 91

[Excerpt] The government has passed four supreme decrees ordering the privatization or closure of state enterprises. One of these decrees establishes that later this month, the Mining Bank will be privatized or closed. The other decree orders the dissolution of the Agricultural Bank.

In Supreme Decree No. 22864, the government ordered a reduction in State Bank functions, restricting all its credit, commercial, and development operations. In another decree, the government decided to privatize or close the National Mining Exploration Fund. [passage omitted]

Control Over Border With Chile Increased

PY2207032891 Madrid EFE in Spanish 1842 GMT 19 Jul 91

[Text] La Paz, 19 Jul (EFE)—General Luis Fernando Jemio, 2d Army Division commander, said today that members of his unit have stepped up control over the border with Chile after reports that more border markers have been removed.

Marcelo Perez, foreign relations under secretary, said today in La Paz that the Bolivian-Chilean Mixed Commission will meet at the border between the two countries on 7 August.

General Jemio announced today in Oruro, 239 km south of La Paz, that the border will be checked, after members of the Mendez Arcos Infantry Battalion verified that metal border markers 48 and 49 near Llica had been removed.

The Bolivian-Chilean Mixed Commission will meet in Ollague, 520 km southwest of La Paz, to check the border between the two countries, but the commission will not reach Llica, where the latest removal of border markers was verified, said military officials.

Perez confirmed that the Mixed Commission will check 250 km of border south from Ollague to the Zapaleri railroad station in southern Bolivia, bordering Chile and Argentina.

Under Secretary Perez confirmed that the commission will not investigate the situation in Llica, 160 km north of Ollague. Perez added that the Foreign Ministry presented "a formal protest against the excesses and Chilean inroads" in that Bolivian region to the Chilean Foreign Ministry in Santiago.

The Chilean Foreign Ministry answered that "nothing was registered on the case," Perez said, announcing new efforts to get an answer on the incident at the Chilean consulate in La Paz.

According to a military report, metal border markers were replaced by milestones built inside Bolivian territory, leaving 25 sq km on the Chilean side. This is shown on a Chilean map that was exhibited by employees of the Chilean firms "Chelta" and "Codelco," which are exploiting gold in the vicinity of Llica.

The report on the latest removal of border markers has prompted several Potosi institutions to organize "a major political demonstration" to border markers 48 and 49, to which they invited legislators and political and labor leaders.

Bolivian and Chilean authorities announced last February they will jointly inspect the 975 km of common border. The decision was made following complaints by peasants in both countries that peasants from the other side were removing border markers to enlarge their cattle grazing areas.

Thus far, the meetings have not prevented the removal and replacement of border markers on the common border.

Bolivia and Chile severed diplomatic relations in June 1978, after failing to resolve border differences pending since the war between the two countries in 1879, which resulted in the loss of 120,000 sq km of Bolivian territory and its coast on the Pacific Ocean.

Peruvian Terrorists' Participation Denied

PY2207031291 La Paz Television Boliviana Network in Spanish 0200 GMT 20 Jul 91

[Text] Investigations continue in the search for individuals responsible for recent terrorist attacks in Bolivia. The Interior Ministry has dismissed the possible participation of Peruvian terrorists in recent attacks. This was stated by Interior Ministry Under Secretary Marco Antonio Oviedo, who also said that no information on the current investigations can be disclosed so as not to jeopardize them.

[Begin Oviedo recording] We have begun investigations and, as you know, they take time. We should bear in mind that one of the attacks was perpetrated two weeks ago and the other eight or nine were perpetrated days ago.

What I would like to tell you is that we are not starting from scratch. The state intelligence and security organizations are constantly carrying out this sort of work and this gives us a certain amount of information to start with in this type of investigation.

[Unidentified reporter] There are rumors that....

[Oviedo, interrupting] No, so far we have had no indications of Peruvian participation. We have no indications in this direction. [end recording]

Brazil

Collor Returns From Ibero-American Summit

PY2007182491 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 20 Jul 91

[Text] After meeting with 20 presidents in Mexico, President Fernando Collor returned to Brazil. He arrived this morning and is having lunch in Angra dos Reis. President Collor spent two days in Guadalajara, where he attended the first Ibero-American Summit.

Collor Criticizes IMF Representative's Remarks

PY1907123291 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 19 Jul 91

[Text] In Guadalajara, Mexico, President Fernando Collor has expressed his annoyance over remarks made by Jose Fajgenbaum, IMF South Atlantic Division chief.

Fajgenbaum said to achieve an extended fund facility, Brazil will have to make some economic changes and that these changes will be possible only if the Constitution is amended.

Foreign Minister Francisco Rezek also considered Fajgenbaum's opinion very unfortunate.

The IMF denied the reported request for Brazil to amend the Constitution in order to obtain an extended agreement. Fajgenbaum also denied the report published by a Rio de Janeiro newspaper, but admitted that he believes in the need for structural changes in the Brazilian economy. He added that from now on, IMF representatives will provide information only through the Central Bank's Press Advisory Department.

Court Suspends Construction of Nuclear Plants

PY1907190291 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 18 Jul 91

[Summary] The construction of Angra-2 and Angra-3 nuclear plants has been suspended by court order. Judge (Andrecos Lowes) alleges that construction must first be approved by the national Congress, as noted in the new Constitution. Furnas [Furnas Electric Power Plants, Inc.] today released a note saying it will appeal the court decision on the grounds that construction of the nuclear plants began in 1976 before the requirement to consult Congress.

Iran Interested in Purchasing Aircraft, Tanks

PY2007173291 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jul 91 p 1

[Reported by Roberto Godoy]

[Text] Iran—Brazil's new preferential trade partner in the Middle East, which is willing to begin a $2 billion trade operation in exchange for 180,000 barrels of petroleum everyday—wants to import more than just sugar mills, hydroelectric dams, or subway trains from Brazilian industry. The Iranian Government is interested in purchasing military equipment and services, from aircraft to heavy tanks.

This has already begun. New Embraer [Brazilian Aeronautics Company] Superintendent Ozires Silva was a member of a delegation of businessmen, who visited Iran two weeks ago in the company of Infrastructure Minister Joao Santana. Silva returned with a well-kept secret: In addition to the immediate delivery of 15 turboprop EMB-312 Tucano training aircraft, with an estimated value of approximately $42 million, Ozires Silva brought back an option for the sale of 45 more planes, an additional request worth $126 million.

The same package includes the construction of a pilot training center, based on the Tucano aircraft. Reportedly, Embraer will export the training methods, system to classify technicians for aircraft maintenance, instruments, flight simulators, and the civil construction project. This means a gross income of $218 million beginning with the first order, which has already been formalized. The Iranian Air Force has been flying 15 EMB-312 planes for three years; thus, it will have a fleet of 75 units.

Ozires Silva is also negotiating the full transfer of the production line for the EMB-110 Bandeirante plane, a 19-seat turboprop plane presented by Embraer in 1969 and which is no longer manufactured by the enterprise in Sao Jose dos Campos. The transaction includes projects, technology, instruments, and arrangement of an industrial building that the Defense Ministry wants to install in Iran in order to achieve a certain local capacity in the aeronautics sector.

The Iranian Air Force is still looking for replacements for their old, precariously maintained F-4G Phantoms. When Deputy Defense Minister Mehdi Basargan [name as published] was secretly visiting Embraer in January, he expressed an interest in the Italian-Brazilian AMX fighter-bomber. He revealed then that his government's intention was to purchase 40 ground attack jets. Subsequent contacts were made by AMX International, the binational company created by Brazil and Italy to promote the sale of their plane. An order for these planes would yield $640 million, $192 million of which would go to Embraer, which is responsible for 30 percent of the program.

Tanks

Basargan said the Iranian Army is also trying to renovate its frontline equipment—main battle tanks, self-propelled artillery, missile launchers, electronic services; to modernize approximately 350 light and medium tanks, and to stock artillery spare parts. The budget for that project is $100 million. The Army wants to replace 200 obsolete M-47/48 and M-60A1 tanks with new models. The new versions of the Chinese Ch-62 [as published] tank, a copy of the Soviet T-62, and a lighter version of the North Korean tank have been tested. Recently, the Iranians are looking for other options.

Basargan wants a demonstration of the EE-71 Osorio tank, manufactured by Engesa [Specialized Engineers, Inc.]. The original model was created for bidding in Saudi Arabia; it has a 120-mm cannon and several electronic accessories. There are two prototypes in Barueri, but there is a problem: the enterprise, which has reached an agreement with its creditors, has been virtually paralyzed and the transfer of administrative control to the new shareholders is being adjusted in a delicate operation conducted by the Army Ministry, the Foreign Ministry, and the Presidency of the Republic. A full 12-round exercise with the Osorio costs $1 million and the enterprise definitely does not have that money. A possible sale of 200 tanks would yield $1.2 billion.

Technological Transfer Accord Signed With Israel

PY2207030491 Rio de Janeiro O GLOBO in Portuguese 18 Jul 91 p 32

[Reported by correspondent Mario Chimanovitch]

[Text] Tel Aviv—Israel could help Brazil sell its products to markets that are difficult to access, including certain sectors of the U.S. market that are still closed to Brazilian industry. This surprising offer was made by members of the Israeli Industries Confederation [IIC] to Senator Albano Franco, chairman of the National Industries Confederation [CNI]. Franco is making an official visit to Israel in response to an invitation. He has already signed an agreement with the IIC to promote an intensive cooperation exchange. The high technological standard of Israeli industry and CNI's financial resources could be used to develop a number of joint venture [preceding two words in English] projects and investments in Brazil.

Franco also signed a technological cooperation agreement between Senai [National Service for Industrial Apprenticeship] and the Israeli enterprise, Degem Systems. Franco said he was moved by Israel's high level technology and research.

According to Franco, Senai and Degem (which will have to provide advanced technological training to Brazilians) have performed joint tasks for five years. In a decree that was just signed, Israel will help Senai become a center for the dissemination of technological knowledge to all Latin American countries.

Franco said that with the support of Israeli technology, Senai will be ready to train experts from Latin American enterprises, thus contributing to the continent's development. He added that the exchange with Degem will allow Senai to obtain advanced information on robots and informatics.

* Funding Cutbacks Impede Oil Self-Sufficiency

91SM0391A Sao PAULO ISTOE SENHOR in Portuguese 29 May 91 pp 44-45

[Article by Jacqueline Breitinger; first paragraph is ISTOE SENHOR introduction]

[Text] Petrobras [Brazilian Petroleum Corporation] is delimiting a new field but fears there will not be enough money to expand production.

About 100 km of open sea separate the Macae coast in the State of Rio de Janeiro from the sounding ship Ben Ocean Lancer. Lashed by the Atlantic Ocean's waves, the vessel is delimiting a site which, for the time being, is known to Petrobras technicians only as 1-RJ-383. At that site, where the sea is 788 meters deep, the government-owned company recently discovered what may be the region's third-largest oil field, with estimated reserves of 830 million barrels—equivalent to 10 percent of the entire amount expected to be recoverable in Brazil. This brings Brazil a little closer to self-sufficiency.

But petroleum prospecting and exploration in deep water (anything below 400 meters) is an expensive activity, and money is not abundant anywhere at present. Much less at Petrobras, where, despite the mastodonic figures—$12 billion billed in 1990, a net profit of $557 million, 55,500 employees, and investments of $1.8 billion last year—there is a conflict between petroleum exploration costs and the price controls placed on the firm's products. "We will need $16.9 billion for investment over the next five years, and of that total, $12.5 billion will be used for exploration and production," explains Milton Luiz Gabrielli, assistant superintendent of production for the firm.

Finding money of any kind would seem to be easier than discovering an oil well. After all, in the natural order of things, a company produces, sells its products, and uses the proceeds of its billing to meet expenditures, pay its employees, provide profits for its owners, and plow part of the money back into the business. But things are not always that simple. As a government-owned firm, Petrobras needs to render an accounting to its biggest stockholder—the government—which currently has the power to decide how much the firm will spend on payroll and how much it will receive for its work.

The solution being worked out to resolve that impasse is an import from Europe known as the management contract. That contract is being studied at Petrobras and in Brasilia, and under its terms, the government-owned firm will work to attain certain goals—in this case, to achieve Brazil's much-discussed self-sufficiency in petroleum by 1995 and provide a profit for its stockholders. On the other side, the government will also have to sign a few clauses. One of those clauses will have to do with the real price of petroleum products, Gabrielli asserts. "We want to be responsible, and we want to be able to act," he says. As soon as the contract is signed—it was scheduled to be signed at the end of May, before Minister Zelia Cardoso de Mello's dismissal—Petrobras will be in a position to become master in its own house: able to hire and fire employees, adopt its own wage policy, and decide small matters within its gigantic structure—such as employee travel abroad—without having to ask the Federal Union's blessing.

As a result, however, of the economic policy pursued over the past few years, the government-owned firm has been faced with a deteriorating cash position and, consequently, found itself with less money for investment in petroleum prospecting and exploration. And that gap still exists. According to calculations by the president of the Association of Petrobras Engineers, Diomedes Cesario da Silva, the price Petrobras was receiving for a barrel of petroleum on Wednesday the 22d was 28 percent below what it should have been. Superintendent Gabrielli's figures are different: he admits to having heard of a lag in the price of petroleum products, but at a much lower level—between 6 and 7 percent.

If the contract is not signed, it may be more difficult for the firm to obtain the $16 billion it needs to make Brazil a country not dependent upon petroleum imports. Estimated reserves (still subject to confirmation) total 8 billion barrels, and it is already certain that 2.8 billion barrels exist in national territory. Saudi Arabia, for example, has a much larger reservoir—150 million barrels—under its sands. Although not a maharajah when it comes to petroleum, Brazil may, according to Petrobras forecasts, achieve its independence in petroleum in 1995, when domestic production will come close to the 1 million barrels that are consumed here every day—if, obviously, the demand for fuel does not increase as a result of the country's resuming its economic growth by then.

It is easy to point out, however, that back in the 1980's, that autonomy was being promised for the start of the 1990's. Reduced investments from 1988 until last year as a result of lower revenues for Petrobras blocked that plan. But it was not only price controls on gasoline that placed difficulties in the way of achieving those goals. An operational audit by the National Accounting Office showed that through May of last year, Petrobras had provided $600 million in subsidies for Proalcool [Alcohol Production Program]—even though alcohol is not extracted from the depths of the earth and there is no similarity between an oil derrick and a sugarcane plant. That is less than the $700 million scheduled to be spent on petroleum production this year. For its part, exploration for new wells will account for expenditures totaling $2.2 billion to be invested in 1991.

A large portion of Brazil's reserves are under the sea: of the 680,000 barrels currently being produced daily in Brazil, 65 percent are from the Campos Basin, a 100,000-square-kilometer area off the Rio de Janeiro coast. In operation there are 30 production platforms distributed among about two dozen fields, all of which are named for fish in the region. The first field—Garoupa—was discovered in 1974. The 1980's saw the

discovery of the giant Marlim and Albacora fields, both located in so-called deep water.

The new field does not yet have a name, being known only as 383 (the number of the exploratory well). Its total extent will not be known for another one or two years. "The surveys we have conducted to date show that there is a 70-percent chance that a lot of petroleum exists there," says Antonio Manoel de Figueiredo, a geologist for Petrobras. The expectation is that 1-RJ-383 may produce from 3,000 to 5,000 barrels per day, a satisfactory average and one making its operation economically viable. In the giant Marlim field, located only 20 km away, the possibility exists that some wells will produce as much as 10,000 barrels per day. When the 145 wells planned for the Marlim field are in full operation—something that should happen around the turn of the century—their total production will reach 350,000 barrels daily, or nearly half the total amount of petroleum being extracted by Brazil today.

There is more petroleum in the area, according to Petrobras. The problem is that it is located at depths even greater than Well 383 (788 meters). The platform located over Well Marlim-3, where production began in March, is 725 meters above the seabed, making it the well currently operating at the greatest depth. Other wells reaching 1,500 meters have already been delimited in the same field. "The technology for going that deep does not yet exist," explains Gabrielli, who is superintendent of production. He says the equipment that would be used is not much different from that already used in shallower water. The problem is that the equipment must be much more resistant. For example, a submerged Christmas tree (the assemblage of valves located at the wellhead) is a component costing between $1 million and $2 million. To withstand greater pressures, that same piece of equipment would double in price.

Chile

Aylwin Returns; Discusses Ties With Cuba

PY2007195491 Santiago Radio Chilena Network in Spanish 1700 GMT 20 Jul 91

[Excerpt] The presidential airplane carrying President Patricio Aylwin touched down today at 1029 in the Arturo Merino Benitez Airport. Aylwin returned from a one week tour of Colombia, El Salvador, and Mexico. Upon his arrival, the chief of state held a brief news conference in the airport, mainly on the reestablishment of consular ties with Cuba.

The president said that Chile has only reinstated trade and consular ties with Cuba because there are still obstacles that prevent the full reestablishment of diplomatic and political ties with Fidel Castro's regime. Evidently, Aylwin said, relations with Cuba are intensifying, and this first step is the appropriate thing to do at this time. The chief of state said that a Chilean consul to Havana will formally be nominated within the next 30 days. As for the recent criticisms made by opposition groups to the reestablishment of ties with Cuba and Fidel Castro's regime, Aylwin simply said they are totally unfounded. [passage omitted]

British Air Force General Visits, Stresses Ties

PY2007175091 Santiago EL MERCURIO in Spanish 16 Jul 91 p C 4

[Text] During his second official visit to Chile, Brigadier General Robert G. Peters, director of the British Royal Air Force (RAF) Advanced Staff School, stressed the relations prevailing between the RAF and the FACh [Chilean Air Force].

On 15 July, Peters met with Defense Minister Patricio Rojas; General Fernando Matthei, FACh commander in chief; and General Ramon Vega Hidalgo, FACh chief of staff.

Interior Minister Rules Out Pardoning Terrorists

PY2207033491 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 20 Jul 91

[Excerpt] Vice President Enrique Krauss categorically stated that all who are outlaws should face their responsibility by surrendering to justice. Thus, he definitely ruled out the aspirations of extremist or underground groups of being pardoned by the president. Krauss said it is not enough to say that they are willing to lay down their weapons.

[Begin Krauss recording, in progress] ...not only that, they must assume all the characteristics and conditions of democratic coexistence. In other words, they cannot resort—as some people who have given news conferences have said—they cannot say they will not resort to weapons, but will adopt other measures of pressure. They cannot say this because, in democratic coexistence, there is no place for such measures. I mean not only weapons, but respectful coexistence. Respect for the dignity and rights of human beings cannot be claimed by only certain sectors, since they are a privilege and prerogative of all Chileans who live in this country. [end recording]

The statement was made by Krauss, during a news conference on the most important events of the week. [passage omitted]

Minister Calls For MPMR Members To Surrender

PY2007164091 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 20 Jul 91

[Text] Alfredo Malbrich, a top leader of the Manuel Rodriguez Patriotic Movement [MPMR], reiterated his organization's willingness to return to normal political life and asked that it not be forced to support democracy from hiding.

[Begin Malbrich recording] The MPMR demands that the government clearly state, once and for all, if it will adopt the necessary measures to allow our normal participation in the country's life, or if it intends to force us to continue our struggle in support of democracy from hiding, as we did under the dictatorship. We have offered clear proof of our willingness and our decision to adapt our forms of struggle and political participation to the new circumstances. [end recording]

Enrique Krauss, vice president and interior minister, said former Manuel Rodriguez Patriotic Front [FPMR] members must surrender to justice and face the due process of law. Krauss said it is not enough for them to lay down their arms. They must respect all laws for democratic coexistence.

Krauss held a news conference this afternoon. He made a positive evaluation of the country's political situation and internal security. As for the demands of former FPMR members, Krauss said the government is willing to create mechanisms to aid their reinsertion into normal life, but added that all norms of democratic coexistence must be respected.

[Begin recording] [Krauss] Those who feel that they have the right, as a result of any situation, to take the law into their own hands cannot be benefited by a process of reinsertion, because they do not understand that, in a situation of democratic coexistence, the state of law demands that some conditions must be respected without exception.

[Unidentified reporter] Should Malbrich and others then surrender to justice?

[Krauss] Without a doubt. The first step they must take is to take responsibility for their actions. They will then enjoy all the guarantees of due process. There is a mechanism created by Congress to facilitate their defense and seek other benefits. Those who enjoy the benefits of pardons or bail must accept the basis of democratic coexistence. [end recording]

Krauss also said that the government fully supports the policies that are being implemented by the transport minister with regard to bus owners.

[Begin Krauss recording] The government will not go back on its policy to protect the community from the damages of pollution. The measures implemented to regulate traffic are a step forward in that direction. This is the reason why they have been adopted and why we will strongly support them. We fully support the policies that are being implemented by Transport Minister German Correa. [end recording]

Regarding political spying, Krauss said the government does not agree with Socialist Party suspicions that spying is being conducted by private citizens who worked for DINA [National Intelligence Directorate] and CNI [National Intelligence Center] in the past. Krauss added that investigations will nevertheless continue.

Carabineros Arrest FPMR Militant in Chillan

PY2207034291 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 20 Jul 91

[Text] The Carabineros have reported the arrest of a Manuel Rodriguez Patriotic Front [FPMR] militant in Chillan.

[Begin Carabineros 4th Zone Chief Nelson Rodriguez recording] The individual arrested has been identified as Marlene Cecilia Bobadilla Vidal. Bobadilla said she is an FPMR militant. She is indirectly involved in the 18 June 1990 death of retired NCO Marques Riquelme Becheverria in Chillan. [end recording]

The police chief said he does not have any information on the presumed arrest of Guillermo de Sandon, alias Diego Carvajal, a top leader of the Lautaro movement. The Carabineros 4th Zone insisted that it is not involved in the investigation into the killing of Prefect Hector Sarmiento.

Terrorists Ambush Carabineros; Officer Killed

Attack Reported

PY2007154891 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 20 Jul 91

[Summary] Unidentified individuals ambushed and killed Second Sergeant Manuel Cares Alfaro, at the corner of Mata and Arturo Prat Avenues in downtown Santiago, shortly before 1900 today. Police officer Abel de la Fuente Castillo was wounded in the incident. So far, no one has claimed responsibility for the incident.

Rebel Group Claims Responsibility

PY2207034691 Santiago Radio Chilena Network in Spanish 1700 GMT 20 Jul 91

[Excerpts] Carabineros Deputy Director General Gabriel Ormeno attended the wake of Second Sergeant Manuel Cares Alfaro today at the Carabineros NCO school. Cares was murdered yesterday afternoon by three extremists, who immediately escaped. [passage omitted]

According to some press reports, the extremist Lautaro Rebel and Popular Front has claimed responsibility for the attack, in a telephone call to the media.

Minister Says Violence Decreased; Rebel Captured

PY1907152891 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 18 Jul 91

[Excerpt] [passage omitted] Acting Interior Minister Belisario Velasco has said that according to an evaluation made by the Security Committee, political violence has decreased considerably over the past few weeks. Police records show that political violence decreased by 74 percent in June, when compared with March, which was the most violent month.

[Begin Velasco recording] These figures should be used as a serious reference in discussions on this topic. The matter is usually used for political purposes or propaganda, than it is for an objective evaluation of reality. Common crime continues to be high, but without a significant increase. [end recording]

Velasco also called on the population to seriously and responsibly contribute to fighting political violence and crime.

Police sources reported this afternoon that Diego Carvajal, a top Lautaro movement leader, has been captured. According to the sources, Carvajal is being held under arrest at a police precinct. The news, however, has not been confirmed or denied.

Actions Against Former CNI Agents Reported

PY2007160691 Santiago EL MERCURIO in Spanish 13 Jul 91 pp C 1, C 4

[Reported by Hernan Cisternas Arellano]

[Excerpts] Valparaiso—A subversive, who escaped from Santiago jail, held a news conference in this city yesterday. He said that the Manuel Rodriguez Patriotic Movement (formerly the FPMR [Manuel Rodriguez Patriotic Front]) will carry out "unarmed" actions to "denounce people who cooperated with or were agents of CNI [National Intelligence Center];" these people are said to be in various sectors, especially the country's public services.

The actions would be similar to the 24 October 1990 kidnapping of Misael Galleguillos, university professor and former labor unions national secretary, under the military regime; Galleguillos was taken from the University of Santiago to the University of Chile Law School, where he was chained and humiliated.

This was said yesterday by Luis Guerra Olivares, the movement's regional director. Guerra Olivares and Marcos Riquelme Garcia, who were among the 43 so-called "political prisoners" who escaped from Santiago jail last year, gave the unusual news conference in a downtown office at 995 Blanco Street across from Rojas Street. [passage omitted]

Yesterday, FMR leader Alfredo Malbrich Baltra, who is at large, also harshly criticized the government's antiterrorism publicity campaign, which was launched this week.

Alfredo Malbrich and Marcos Riquelme met with the press at Hernan Yungue Street and General Velasquez Street, where Carmen Gloria Quintana and Rodrigo Rojas were set on fire. A ceremony was held there to honor them. Malbrich and Riquelme, who escaped from jail in January 1990, rejected to use the faces of Pablo Neruda, John Lennon, and Clotario Blest in television spots.

They said: "To carry out a campaign against terrorism, the faces of terrorists should be revealed. The faces of those who made terrorism a form of government should be shown." They labeled the government campaign "expensive and bad." [passage omitted]

Foreign Ministry on Letelier Controversy

PY1907164291 Santiago Radio Cooperativa Network in Spanish 2300 GMT 18 Jul 91

[Reported by Carmen Castro]

[Text] Today, Acting Foreign Minister Edmundo Vargas reiterated that clearing up the crime involving former Foreign Minister Orlando Letelier is an ethical imperative for the government and there must be justice.

Regarding his recent trip to Washington, Vargas stated that he evaluated Chilean-U.S. relations from a bilateral and multilateral viewpoint with Bernard Aronson, assistant secretary for inter-American affairs, and other high-ranking White House officials. Also, among the topics discussed were the current state of drug trafficking and terrorism in Latin America and Chile and matters pertaining to the upcoming UN General Assembly, which begins in September 1991.

It is true that the Letelier case was also included in the evaluation and talks. Regarding this case, Vargas acknowledged that it is a problem between Chile and the United States. However, he highlighted the interest of Chilean authorities to resolve it.

[Begin Vargas recording] Regrettably, what I have said has not been properly understood, but this is a controversy is made up of two elements and the most important one is the investigation into this horrendous crime. We, the government, believe it is the fundamental element and, on 15 July, the Supreme Court took a very positive step, when it named a trial judge.

It is not up to us to comment on Mr. Banados' personality. Yesterday, I personally said with the background data I have, it can be seen that he is a very prestigious person. We hope Judge Banados will carry out his job, which we are sure he will do, and clear up this crime. [end recording]

Vargas pointed out that only the civil aspect is on the way to a definitive solution with the indemnization that will be granted by the Chilean Government to the Letelier and Moffit families. The amount will be determined by a commission that will probably be created in Washington in August.

Vargas said that the penal aspect—in other words, the definitive clearing up of the murder, which was committed in Washington on 21 September 1976—is the most important thing for Chile. He indicated that the government hopes that the incident will be resolved by Judge Banados.

Socialist Leader on Political Espionage Case

PY2007181491 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 19 Jul 91

[Excerpt] Socialist Party President Jorge Arrate has said he suspects that political espionage is being carried out by men connected with the former DINA [National Intelligence Directorate] and CNI [National Intelligence Center]. Socialist leaders Jorge Arrate and Manuel Alemyda met with acting Interior Minister Belisario Velasco to discuss two subjects: the possible removal of the Pehuenche Indian community from Quinquen Valley and the status of investigations into the political espionage case. On the latter subject, Arrate said he is pleased with the briskness with which the government is acting, and he evaluated the Army's declaration on the subject.

[Begin Arrate recording] We think that after the Chilean Army declaration, it is clear that this espionage is being carried out by private groups who should be investigated. We suspect that groups that were connected with the repressive CNI and DINA apparatus, which operated in this country for 17 years violating human rights, seem to be continuing their activities through some type of private initiative. This should be investigated and punished. [end recording] [passage omitted]

Remains of Missing Union Leader Identified

PY1907232091 Santiago Radio Cooperativa Network in Spanish 2300 GMT 11 Jul 91

[Excerpts] The remains of Luis Contreras Leon have been found, almost 18 years after he was arrested by Carabineros and disappeared.

According to information disclosed by the lawyer of the Vicariate of Solidarity Hector Contreras, Luis Contreras Leon was the leader of the Chuquicamata United Labor Confederation, CUT, when he was arrested on 23 October 1973 by Carabineros officers of the Carabineros Station located next to the Dupont Explosives enterprise in Calama. [passage omitted]

A semi-mummified body was found buried 30 meters deep in a mining pit near Calama last December. [passage omitted]

Investigations to determine the identity of the remains only concluded this week, and it was established that they are Luis Contreras Leon's. [passage omitted]

Colombia

Government-Rebel Talks To Be Renewed 26 Aug

Peace Negotiations 'Unblocked'

PA1907225691 Paris AFP in Spanish 2136 GMT 19 Jul 91

[Text] Bogota, Jul 19 (AFP)—It was officially announced in Bogota today that an agreement between the Colombian Government and the "Simon Bolivar" National Guerrilla Coordinating Board (CNGSB) has unblocked the peace negotiations, which were being held in Caracas (Venezuela).

A communique issued by the presidential peace advisory office reports that the talks will be renewed in Caracas on 26 August.

Army To Suspend Operations

PA1907133291 Bogota Radio Cadena Nacional in Spanish 1200 GMT 19 Jul 91

[Text] Here is a report on the return of the delegates of the Simon Bolivar National Guerrilla Coordinating Board, who are currently in Caracas.

First: The government has asked the Army to suspend military operations for 72 hours, however, troops will not be withdrawn. This is the first point.

Second: The guerrillas will have 72 hours to move, but they cannot hold meetings. That is, if they are found while holding a meeting, they can be captured. Let us put it that way.

Third: Three Venezuelan Government delegates and three members of the advisory board will be arriving with the rebel delegates. All will arrive by airplane and will be taken to some site in the country. At this place, three helicopters, which will later leave for three different places, will be waiting for them.

Paraguay

Cuban Government Seeks To Resume Relations

PY2007201691 Asuncion HOY in Spanish 20 Jul 91 p 13

[Text] Jose Fernandez Vilela, political adviser at the Cuban Embassy in Uruguay, is visiting Paraguay "to seek a rapprochement." He met with Chamber of Deputies lawmakers, headed by Jose Antonio Moreno Ruffinelli, to whom he said that Cuba wants to resume relations "considering that we are members of the Latin America community."

He said that the will and possibilities of President Rodriguez's administration and the Paraguayan people should mark the first condition for reaching this objective. Asked if the conditions exist for an approach, he said: "My visit has to do with the conditions that are becoming appropriate for an approach."

Fernandez Vilela came to Paraguay in response to a Febrerista Revolutionary Party (PRF) invitation. He made it clear that he is taking this opportunity to meet with government officials, and labor and parties leaders.

Moreno Ruffinelli agreed with Fernandez Vilela on the need to start an approach process. It was noted, however,

that they have not analyzed the resumption of diplomatic relations but the possibility of an approach as the first step.

It has been explained that gradual steps will be taken and that there is no concrete project for the time being. Fernandez Vilela said: "We want to resume relations because we are members of the Latin America community." He added that during his meeting with Moreno Ruffinelli, "we recalled the mutual tie between Cuba and Paraguay in the past."

He said: "It is very important for us that the will and possibilities of the Paraguayan Government and people mark this initiative." Fernandez Vilela was accompanied by PRF leaders. The details of his agenda have not been disclosed.

The Paraguayan Government apparently is willing to open the door to the countries that "were behind the iron curtain."

Colorado Party Convention Approves New Statutes

Convention Detailed

PY2007204891 Asuncion HOY in Spanish 20 Jul 91 p 6, 7

[Text] With the approval of new party statutes in keeping with the election code and that—among other things—creates an Electoral Board and a Board of Honor, establishes regional representation, and grants a 20 percent share of power to the party youth sector and another 20 percent to the female sector, the five day special convention of the ANR [National Republican Association] concluded yesterday. The Colorado Party convention was widely controlled by the TRARDEM [Democratic and Renovator Traditionalism], which held a two-thirds majority and finally reached an agreement with the "Democratic Alliance members" but not with the "Autonomous" Colorado faction.

The party convention, which began 15 July in the National Sports Council stadium, replaced statutes in force since 1947, establishing obligatory electoral features like the election of authorities through direct elections and the application of the D'Hont system for the proportional distribution of posts.

The Colorado Party convention, which was one of the longest in recent times (in the past everything used to be solved in one or two days), yesterday approved its main resolutions by establishing that the members of its Electoral Board and Board of Honor be elected by the convention and not by direct elections as initially proposed. Another initial decision was also reviewed so that the Electoral Board and Board of Honor were deprived of their "Executive Board" status.

The thorniest subject discussed during the convention was the Electoral Board, which was created with the duties to "call elections and conduct the registration and election processes." A temporary board presided over by Oscar Paciello also was created with the power to call a new junta election "when it corresponds."

This issue even has led some sectors to request a writ of amparo against the convention in order to prevent it from approving any measure that would either directly or indirectly shorten the mandate of the current Colorado Party Executive Board. The subject, however, still must be defined in court.

The new statutes, which include 112 articles, become effective immediately after they are registered in the judicial branch. They establish that the party president will be elected by direct elections and not by an electoral college.

Some other reforms are:

The number of Colorado Party Executive Board members was increased from 35 to 72.

Regional representatives will hold 44 seats and national representatives 28 seats on the Colorado Party Executive Board.

One conventioneer will be elected for every 1,000 votes and not one for every 1,500 party members [whether they vote or not] as initially proposed.

Colorado Party precincts will have a maximum of 36 members and a minimum of 15.

Candidates to regional posts must have resided at least three years in their jurisdictions.

Youth and female sectors will hold 40 percent of the elective posts.

Party memberships may be approved by the Colorado Party precincts and the Colorado Party Executive Board.

Departmental lists independent from national movements may be accepted. [sentence as published]

Whoever sponsors an independent candidacy or runs as an independent candidate may be discharged from the party.

The Colorado Party may admit election alliances, fusions, or the joining of other political parties.

Sanctions issued by the Board of Honor may be appealed at the convention. The statutes also allows executive branch cabinet members to be Colorado Party Executive Board members. It also allows presidents of Colorado Party precincts to simultaneously hold the post of mayor.

The statutes also establish that in case of resignation, death, or inability, the presidential candidate of the Colorado Party Executive Board will be replaced by the vice president. In case the vice president resigns, dies, or is declared inept, the post will be filled by the second most popular candidate for president of the Republic in

the internal party elections. In the case of a mayoral candidate, the post will be filled by the person who is first on the list of council members.

Party Chairman Comments

PY2007231491 Asuncion ULTIMA HORA in Spanish 20 Jul 91 p 10

[Text] At the end of the special Colorado Party convention, Luis Maria Argana, chairman of the Colorado Party Executive Board, said that "the statutes are absolutely null and void." He also criticized Angel Roberto Seifart, the leader of the Trardem [Democratic and Renovator Traditionalism] faction he compared to Hitler and accused of manipulating the convention at will.

He said: "The unity of the Colorado Party will not be achieved with Seifart around because he resorts to totalitarian, antiColorado and Nazi-fascist procedures. Unfortunately, using the tactics of Hitler's storm troopers, they have taken over this convention, violating the power balance and paying no heed to a court order."

He added: "It is unlikely that our statutes will be approved by the National Executive Branch, because they are totally null and void. There has been an overt violation of the Colorado Party's will, thus anything that Seifart has said cannot be taken seriously."

He said: "I agree with the recomposition of the Court of Honor, because this body must be absolutely impartial, and its members cannot be elected by public vote."

Asked whether he felt he was defeated at the convention, Argana answered: "On the contrary, we feel that we have won, because when the victims of this outrage pick up the banner and follow their leader to a victory later on they will reinstate the basic principles of the Colorado Party. Everyone will witness the victory celebrations of today's defeated."

Trardem Leader Refutes Charges

PY2007235291 Asuncion ULTIMA HORA in Spanish 20 Jul 91 p 10

[Text] Jose Alberto Aldrete, a leader of the Democratic and Renovator Traditionalism [Trardem] faction of the Colorado Party stated: "Takeovers were what [Executive Board Chairman Luis Maria] Argana allowed when he was Supreme Court president and one of the Colorado Party's top leaders. Argana is having to endure the bitter taste of defeat, and he is trying to find some justification."

He explained that "Argana has gotten used to his ideas being accepted as the expression of sovereignty, to his thought being regarded as democratic will, and to the rest of the people applauding him and bending to his will. History is changing now, and he is getting upset. Argana is getting angry, because he feels that he is being isolated by the people and cannot bear the thought that the Colorado people could draw up party statutes and choose their institutional fate at a sovereign convention."

Aldrete emphasized that "a takeover amounts to stealing people's sovereignty, the rights of the citizens. This is something that he had always allowed to happen to please the dictator [President Alfredo Stroessner]. This convention returned sovereignty to the people, to the Colorado peasants. Sovereign and democratic will prevailed, marking the defeat of those oligarchs, who for a long time, believed that the Colorado people were incapable of loftily exercising democracy."

Central Bank Reports on Trade Balance Deficit

PY1907231291 Asuncion ABC COLOR in Spanish 19 Jul 91 p 10

[Summary] The Central Bank reported that the trade balance deficit for the first half of this year is $223 million, compared with a surplus of $183 million in the same period last year. The report indicates that cotton exports in this period were only $137 million, compared to $150 million in the same period last year. Soy bean exports were only $143 million, compared to $229 million in the same period last year, and meat exports were $13 million, compared to $80 million in the same period last year.

Peru

Joint Command Reportedly Authorizes 'Dirty War'

PY1907185291 Lima LA REPUBLICA in Spanish 15 Jul 91 p 3

[Text] A secret Armed Forces Joint Command document authorizes "the elimination of people without leaving any evidence" in countersubversive operations.

It points out that countersubversive operations must be highly offensive and aggressive "without forgetting that the best subversive is a dead one."

This guideline, which is circulating in some levels of the Armed Forces, became known after reporter Cesar Hildebrandt showed the document last night on his program "In Person." It is akin to an authorization for a so-called "dirty war."

The document, which has a secret stamp on it, was circulated last June and is registered as Guideline No. 01-CCFFAA-JICS.

The purpose of the document is to establish regulations for the planning, execution, and control of special intelligence operations to find and destroy subversive groups that operate in areas where they have a great deal of influence.

The document points out that the aim is to insure coordinated work by the intelligence services taking part in operations and to guarantee that operations are carried out with the greatest discretion and logistical support.

It adds that the guidelines will be known only by command-level personnel with a need to know and by intelligence detachment officers at operational levels.

The document says that the areas with the highest number of subversive activities are: 1. The metropolitan Lima area; 2. The area made up of the provinces of Cajabamba, San Marcos, Sanchez Carrion, Pallasca, Santiago de Chuco, and Otuzco; 3. The area made up of the provinces of Tocache, Leoncio Prado, and Padre Abad; 4. The area made up of the provinces of Jauja, Huancayo, Satipo, and Chanchamayo; 5. The area made up of the provinces of Churcampa, Huanta, Huamanga, La Mar, and Chincheros; and 6. The area made up of the provinces of La Union, Caylloma, Chumbivilcas, and Espinar.

It notes that special intelligence operations require the participation of personnel with a great deal of experience, must be planned in detail, and should use one or several operations methods.

It goes on to say that operations are generally clandestine, using legal and illegal methods. Normally, actions are not violent; however, if the situation and conditions permit "the elimination of people without leaving any evidence, this can be done."

The secret document emphasizes that countersubversive operations carried out on the basis of information provided by the intelligence detachments should be highly offensive and aggressive without forgetting that "the best subversive is a dead one;" therefore, no prisoners will be taken.

This document is a real threat to human rights and an acceptance of state terrorism, which has been severely questioned by politicians and democratic institutions.

It also represents the implementation of illegal measures that are promoted by former military chiefs such as General Luis Cisneros Vizquerra, retired.

The elimination of alleged subversives and the disappearance of many people who have been arrested by the military are enough evidence that this guideline is already being implemented in different parts of the country.

Armed Forces Suspend TV News Program

PA2007202291 Mexico City NOTIMEX in Spanish 0930 GMT 20 Jul 91

[Text] Lima, 20 Jul (NOTIMEX)—The influential television news program "In Person," which in recent weeks has been denouncing the "dirty war" going on in Peru, has been suspended based on an order presumably from the Armed Forces Joint Command.

This was reported to the media last night by Cesar Hildebrandt, the program's director. He said that he was given no explanation for the suspension but was told that some Armed Forces sectors have been upset by recent In Person programs.

In a Lima America Television Network program, Hildebrandt broadcast an Armed Forces Joint Command report with a "secret" seal stamped on it. The report contains plans to authorize on-the-spot executions during antisubversive operations.

The military document, which was read to journalists by Hildebrandt, indicates that "normally, violence is not the way, but if careful thinking and the situation permit it, there can be eliminations that leave no trace."

The document states: "The countersubversive operations carried out with basis on reports issued by intelligence bodies will be very agressive and harsh, and it should not be forgotten that the only good rebel is a dead rebel. Therefore, no one will be taken prisoner."

Peruvian Defense Minister Jorge Tores Aciego last week denied that this was an official document and explained that it was a "rejected proposal."

Hildebrandt noted: "All this produced much irritation in the Armed Forces and among some of its members." Hildebrandt has received several death threats from the Maoist movement Shining Path. He also has severely criticized the work of former President Alan Garcia. He said that the suspension of the program "is a flagrant attack on freedom of expression."

He concluded by stating: "If military pressure is applied, as I think it will happen, any journalist who secures a document like this will have to think twice before making it public."

Defense Minister on Capturing 'Subversives'

Aciego Views Document

PA2007223791 Lima RTP Television Network in Spanish 1800 GMT 16 Jul 91

[Text] A multipurpose commission will handle all charges of human rights violations, Defense Minister Jorge Torres Aciego revealed during a meeting held with foreign correspondents.

He reported on the investigation of a document that orders military forces not to capture subversives alive. Torres also said that 71 members of the Army and Navy were disciplined for human rights violations and drug trafficking.

The document, which states that subversives should not be captured alive by the Armed Forces, is under investigation. The document was drafted by a group of military officers and its content should not necessarily be observed, Defense Minister Jorge Torres Aciego told foreign correspondents.

During the news conference—in which Torres Aciego was accompanied by his legal adviser and General Alberto Arciniega, who is in charge of the Human Rights Department of the Defense Ministry—much emphasis was placed on the respect for human rights, which are fully observed by the Armed Forces, according to the minister. He added that 95 percent of human rights violations are committed by subversives. Only 5 percent of the human rights violations are committed by public order forces, but this figure has not been confirmed.

The defense minister added that even though they have not received any report on human rights violations, there are proven cases of irregularities. Torres Aciego praised the role played by the self-defense groups in communities and institutions because they are helping in the eradication of the subversives. He said that a top-level commission will be created to handle the investigations and charges of human rights violations. Members of the Defense Ministry, the Interior Ministry, Justice Ministry, and Foreign Ministry will compose the commission.

[Begin recording] [Torres] These are the four ministries with the most responsibility for enforcing respect for human rights. We have organized ourselves and are trying to work at a national and international level.

[Unidentified reporter] Are there abuses and violations committed in the country?

[Torres] You did not listen to what I said a while ago. Fortunately, the public order forces are preserving the democratic system in the country. No one is sick. What happens is that there are some military officers who commit violations once in a while, but that is not the norm. At least in the Armed Forces, this is not going on. I can stick my neck out for the Armed Forces.

[Reporter] But there have been cases....

[Torres, interrupting] There have been cases. I have read about some cases of people being disciplined. Many people have criticized us for not punishing anyone. We discipline people when violations are committed.

[Reporter] How many people have been disciplined?

[Torres] I just read it, 44 in the Army and 27 in the Navy.

[Reporter] How about the Air Force?

[Torres] There are none.

[Reporter] What conditions are required to hold a dialogue with the people who have risen up in arms and who are willing to participate in a dialogue.

[Torres] I do not believe there are subversives who want to participate in a dialogue. No subversive group wants to hold a dialogue. Their language is destruction, violence, and death. They do not believe in a dialogue in the terms we know as a civilized country. Their language is different.

[Reporter] Violence has increased in the country. The killing of the Japanese citizens says a lot about what happened last week.

[Torres] As I said before. It was a police incident. It is a very regrettable incident, and we will try to investigate its causes and consequences. As I said before, the public order forces cannot provide security to the entire country. We have to do exactly what I said before. We have to encourage the organization of peasant groups, urban groups, and self-defense committees, in which we can actively participate.

[Reporter] Could this be done in Lima, sir?

[Torres] It could be done if residents request it. We would be delighted to organize and train them.

[Reporter] It is a fact that the public order forces or the Armed Forces cannot provide security in the entire country. Why not take the initiative in this regard?

[Torres] That is what I just said. This is like a call made to the population to organize themselves. Once they are organized they can request our cooperation and we would be delighted to help them. [end recording]

Aciego Rejects Report

PY2007153291 Madrid ..FE in Spanish 2146 GMT 19 Jul 91

[Text] Lima, 19 Jul (ANDINA)—Defense Minister Jorge Torres Aciego today rejected an Amnesty International report that Peru is engaged in a "dirty war" and he reasserted that respect for human rights has recently improved substantially.

He admitted the existence of isolated instances of police abuse that are not as bad as they are made out to be and that are by no means part of institutional and antisubversive policy.

Minister Torres Aciego said that the military document revealed in a 14 July television program that was supposedly an incitement to "dirty war" was only "an indiscretion committed by an officer" and did not reflect the Peruvian Government's position.

He denied the official character of the document and pointed out that it was only a draft that was not supported by the Armed Forces. At a meeting with the Foreign Press Association of Peru (APEP), the defense minister said: "It was a draft that was not approved; its revelation was an indiscretion committed by an officer."

Minister Torres Aciego announced that the Armed Forces will punish abuses committed by their members whenever these abuses are reported and supported by evidence. He recalled that nine cases of abuses have been punished by the Army, 21 sanctions have been applied in 27 cases denounced in the Navy, and no abuses have been reported in the Air Force.

He pointed out that many cases of alleged abuse are not true, are politically motivated, and in many instances, are contrived by the opposition.

The minister announced that in order to provide more guarantees for human rights, the police and military schools will introduce the question of human rights as a subject in their curriculum; in addition, military personnel in the emergency zones will be taught educational and psychological strategy.

He deplored the killing of three Japanese engineers in Huaral and announced that appropriate measures will be implemented to protect Japanese citizens working in Peru.

Minister Torres Aciego pointed out unification of the intelligence services, improved coordination between the Armed Forces and the police, and expansion of the Peasant Defense Patrols as principle advances in the antisubversive struggle.

More on Aciego Views

PY2007145691 Lima LA REPUBLICA in Spanish 9 Jul 91 p 4

[Excerpt] Defense Minister Jorge Torres Aciego said yesterday that Amnesty International members who spoke with representatives of his ministry "had a very good impression of Peru's human rights record," but expressed concern about events that occurred during the previous administration.

He said that during their visit to our country, Amnesty International representatives met with Defense Ministry officials, who briefed them on the situation the country is going through and on the policy of respect for human rights that has been adopted at a national level.

He said that details from reports and evidence that was provided made a good impression on Amnesty International members.

They expressed concern, however, about what happened during the previous administration because of numerous cases reported to that international organization.

The minister said his ministry will continue to support and organize peasant self defense patrols in rural areas where Shining Path terrorists stage their raids.

He said: "The Defense Ministry reiterates its decision to continue to help the peasant self defense patrols because they are the best way to counteract subversion. Consequently, the Army will promote people's self defense in each town and district."

Asked about Walter Tocas, leader of the Alto Huallaga coca growers who was murdered by alleged drug traffickers, the minister expressed sorrow for the deplorable event.

He said that both the Army and the National Police will protect leaders in order to avoid a repetition of that kind of event.

He said emphatically that "one way or another, regardless of whether we like it or not," his ministry will have to participate in the Peace Commission in which several organizations—including the Catholic Church—are represented.

"We will have to be on the commission until order is restored. Our withdrawal from the commission will depend on pacification of the various areas," he said.

Torres Aciego made these remarks after a ceremony in which Air Force General Arnaldo Velarde Ramirez was decorated with the Great Cross of the Military Order of Ayacucho. [passage omitted]

Roundup of Terrorist Activities Reported

Activities for 9-11 Jul

PY2207004091

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 9 and 11 July. Publication information is given in parentheses after each item.

During joint operations in Huancayo, the Armed Forces and National Police arrested three dangerous terrorists, who were forcing the owner of a restaurant to pay a 102,000 sols contribution to the armed struggle. The forces also seized high-caliber weapons and homemade bombs. The terrorists were identified as university students Constantino Aguirre Berrocall, 23; Daniel Nelson Ugarte Aguirre, 21; and Henry Martin Laurente Garcia, 18. (Lima LA REPUBLICA in Spanish 9 Jul 91 p 27)

On the morning of 9 July, alleged Shining Path terrorists hurled a powerful bomb at the door of a church in Chulucanas Province, 70 km north of Piura. The explosion caused damage, but no casualties. Before fleeing, the terrorists left fliers with the slogan of the Shining Path terrorist organization. (Lima LA REPUBLICA in Spanish 10 Jul p 7)

Two terrorists died and another was wounded in a clash with police on the night of 9 July in Lima. Prior to this, the terrorists had planted a bomb under an antiriot police car parked outside a police precinct in La Victoria District. The explosion damaged the car, but no one was injured. (Lima EL COMERCIO in Spanish 11 Jul p A16)

Activities for 14-15 Jul

PY2207004891

[Editorial Report] The following are reports on terrorist activities in Peru compiled from Peruvian papers published between 14 and 15 July. Publication information is given in parentheses after each item.

On 13 July in Huancayo, Shining Path terrorists carried out dynamite attacks on six trucks and a Popular Cooperation motor pool on Chupaca Road and offices of the Caceres Region Civic Center. The attacks were carried out early in the morning and caused a great deal of damage, but no casualties. Police and military units have arrested about 50 suspects. (Lima EXPRESO in Spanish 14 Jul 91 p 23)

The Shining Path has claimed responsibility for the murder of councilman and university professor Vladimiro Ivan Perez Ruibal, 33, on 12 July in the teachers room of the University of Peroyac in Cusco. Perez Ruibal studied in the Soviet Union and was a member of the Peruvian Communist Party headed by Jorge del Prado. (Lima EXPRESO in Spanish 15 Jul 91 p 4)

Shining Path members have murdered Leoncio Enrique de la Cruz, chief of the Alto Punas Peasant Defense Patrol, who was kidnapped on his way to Chupaca, which is 7 km from Huancayo. He is one of the Peasant Defense Patrol leaders who received arms from President Alberto Fujimori only 15 days ago. (Lima EXPRESO in Spanish 15 Jul 91 p 15)

Businessman Cesar Ospino was killed by a grenade thrown by a subversive during a 13 July hold-up on the Acobamba-Huancavelica road in an area known as Ajomaccay, about 80 km from Huancayo. Five subversives stopped a truck carrying about 30 people and tried to take all their belongings. Ospino, who tried to capture one of the subversives, was killed by the grenade, which also seriously wounded the subversive, who was taken away by his group. (Lima LA REPUBLICA in Spanish 15 Jul 91 p 16)

Activities for 16-20 Jul

PA2207000191

[Editorial Report] The following is a compilation of reports on activities carried out by terrorist groups in Peru between 16-20 July.

Paris AFP in Spanish at 0000 GMT on 16 July reports that the police on 15 July reported that a Shining Path commando unit killed Leoncio Enrique de la Cruz, chief of the peasant self-defense patrol in Alto Puna, Junin Department. The report states that De la Cruz had received his weapon from the hands of President Fujimori only 15 days before his death.

The AFP report adds that the police reported that on 14 July a businessman was blown to pieces by a grenade hurled by a terrorist in Ajomachay, Junin Department. It adds that the Shining Path claimed responsibility for the murder on 12 July of Ivan Perez Ruibal, leader of the Cusco Town Council and active militant of the Communist Party.

Madrid EFE in Spanish at 0559 GMT on 18 July reports that, according to police sources, "at least five people were injured in three terrorist attacks with explosives on the evening of 17 July in several areas of Lima." The report adds that the attacks, one of which was attributed to the Tupac Amaru Revolutionary Movement (MRTA), caused considerable structural damage to a bank in San Isidro Neighborhood, headquarters of the Los Olivos Town Council, and a government office in the Port of El Callao.

Lima America Television Network in Spanish at 0100 GMT on 18 July carries a one-minute report stating that "four people, including a 3-year-old boy, were seriously injured when a dynamite charge hurled by subversives against a Banco de Credito branch exploded tonight." It adds that this attack occured on the 17th block of (Petituacs) Avenue and damaged nearby buildings.

Hamburg DPA in Spanish at 1623 GMT on 18 July reports that the police confirmed that an MRTA attack in Lima on the evening of 17 July left two people injured and caused minor property damage. It adds that MRTA members, who occupied the Los Olivos town council, wounded a policemen and started a fire that destroyed important documents.

The DPA report adds that a teenager was injured when a bomb exploded at the Banco de Credito branch office in Lince neighborhood. It adds that the MRTA dynamited the Banco del Commercio branch and power company office in the Port of Callao.

Paris AFP in Spanish at 0137 GMT on 19 July reports that Shining Path guerillas killed Prudencio Sulca, mayor of Puno, 1,000 southeast of Lima, near the Bolivian border, along with two other local leaders.

Lima America Television Network in Spanish on 0100 GMT on 20 July carries two one-minute reports. The first one states that this morning "Adalberto Campos, chief of security at the Universidad Mayor de San Marcos, was gunned down by four subversives in front of his residence in El Callao."

The other report states that some 10 subversives in the evening of 18 July killed Francisco Solier Garcia, professor at the University of Huamanga, and his family at their residence in the Andean city of Huamanga.

Terrorists Rob U.S. Professors on Amazon Cruise

PY1907154491 Lima EXPRESO in Spanish 11 Jul 91 p 4

[Excerpts] On 3 July, during an Amazon River cruise between Iquitos and Santa Rosa, criminals who claimed to belong to the Tupac Amaru Revolutionary Movement (MRTA) robbed a group of U.S. professors from the Phi Delta Kappa association.

Money and other belongings with an estimated value of $14,000 were stolen from 23 professors, according to a report submitted to Iquitos police. The following is a report on the terrorist attack prepared by Professor Carrel Anderson, leader of the group:

[Passage omitted] The professors arrived in Iquitos on 3 July and immediately boarded the boat Rio Amazonas for a cruise to Santa Rosa. At approximately 1745, after leaving port and placing their belongings in their cabins, dinner was served. They were still in the dining room when, at approximately 2045, the door suddenly opened and several individuals came into the room. Some of them wore hoods and carried different weapons. The leader, wearing a military (camouflage) uniform, had a Star submachine gun. The professors were forced to get under the tables. When one of the waiters, Clever Sinarahua of Peru, ran between the tables, the leader of the group fired at the roof and ricocheting bullets wounded the waiter in the head, face, and shoulder.

The terrorists then separated the tourists from boat workers and apparently harangued them. They allowed one worker, called Jorge, to be their interpreter; through him, they demanded $20,000 for the MRTA. Dr. Anderson told them that they were professors and did not have much money. First, they dropped the demand to $10,000; finally, they agreed to take all the cash that the passengers had in their possession.

The head of the group asked for a list of passengers and, with Dr. Anderson, collected the money cabin by cabin. They only took dollars. The leader even ordered his subordinates to return the intis they had collected on their own. They collected almost $6,000.

Other members of the group robbed three cabins, taking cameras, clothing, and sandals.

When they finished robbing the passengers, they left aboard a boat with an outboard engine. They left a $10,000 "revolutionary bond" and an MRTA pamphlet. They also stole the lifeboats. Overall losses from the robbery have been estimated at $14,000. [passage omitted]

Plot To Discredit Ex-President Garcia Discovered

PY2207014491 Lima ANDINA in Spanish 1832 GMT 17 Jul 91

[Text] Lima, 17 Jul (ANDINA)—Deputy Jorge del Castillo said today that the investigation and subsequent judgment against Cuban private investigator Rafael Garcia by authorities of the State of Florida for forging information on former President Alan Garcia's alleged properties and deposits in U.S. banks demonstrate that the charges against the former president were all a farce contrived by Deputy Fernando Olivera.

Wielding court records from Florida, APRA [American Popular Revolutionary Alliance] Deputy Castillo explained that everything the Cuban private investigator said about former President Alan Garcia is false; "he forged the documents and took advantage of the credibility of important U.S. private investigation firms." Castillo said this evidence has unveiled a plot organized by politicians and people who seek to tarnish the former president's honor. He added that in the next few days, he will disclose the names of all those involved in this scandal, which is aimed at tarnishing the prestige of the former president and his family.

He pointed out that all this was a farce orchestrated and led by Deputy Olivera, who paid Cuban forgers to cooperate with the plot.

Castillo trusted that based on the official documents issued by Florida authorities, the congressional committee examining constitutional charges against Alan Garcia's alleged enrichment will pass a fair judgment.

Minister Denies Foreign Debt Payments Suspended

PA1907222791 Hamburg DPA in Spanish 1728 GMT 19 Jul 91

[Text] Lima, 19 Jul (DPA)—Prime Minister Carlos Torres y Torres today adamantly denied the report that his country had suspended the foreign debt payments until a support group is created. He attributed the confusion to a misinterpretation of an official's comments.

In remarks to radio station Radioemisora Peruana, Torres y Torres, who is accompanying President Alberto Fujimori at the Ibero-American Summit, admitted there had been some delays due to cash problems, but noted that the country's creditors are aware of that.

The prime minister, who also holds the post of foreign minister, was thus confirming earlier remarks by Economy and Finance Minister Carlos Bolona in Mexico, who denied the reports on the suspension of the foreign debt that were made in Lima by his Deputy Minister Alfredo Jaililie.

Despite the Torres y Torres and Bolana disavowals, doubts persist among the people and at the bicameral congressional budget commission, which is why Bolona has been asked to provide a clearer explanation upon his return.

This situation began three days ago when Committee Chairman Elmer Evangelista disclosed that Jaililie stated in a report to the committee that the government had frozen the payments until a support group is established to give the country $1.3 billion in 1991 and 1992, so it can thus be able to rejoin the international financial community.

According to Jaililie, Peru paid $245 million of its foreign debt this year, but another $85 million were frozen to wait until it can be confirmed that a support group, which is to be headed by Japan and the United States, will be created.

The deputy minister's announcement was welcomed by several sectors, because they feel while Peru has made a sacrifice, the international community has not responded in kind. Other analysts, however, rejected it, as they think this is not the right time to become estranged from the credit organizations.

Torres y Torres admitted that the $85 million were transferred to a new account, but denied that this means that there will be a suspension of payments. Now the lawmakers prefer to await the return of Bolona to clarify the matter.

Peru seeks to rejoin the financial community, from which it was separated by the attitude of former President Alan Garcia, who unilaterally limited payments. Yesterday in Guadalajara, Inter-American Development Bank President Enrique Iglesias confirmed the country is to receive a $1.1 billion loan, which represents the first good result of the government's conciliatory stance with the banks.

Trade Balance Registers $367 Million Surplus

PY2207003291 Lima EL COMERCIO in Spanish 15 Jul 91 p E 5

[Summary] The National Superintendency for the Administration of Custom Offices has reported that Peru's trade balance registered a $367.47 million surplus during the first five months of the year, January to May. Exports totalled $1,073,330,000 while imports totalled $7.0586 million during this period.

Salaries for Education, Health Workers Readjusted

PY2207002691 Lima EL COMERCIO in Spanish 13 Jul 91 p 1

[Excerpt] On the night of 12 July, the Council of Ministers decided to readjust salaries in the education and health sectors, and to grant these sectors the Independence Day bonus and the July bonus in keeping with the Law on Supplementary Credit passed by the Senate and Chamber of Deputies Budget Committees. [passage omitted]

Health Workers Strike 'Suspended'; Accord Signed

PA2007024291 Lima America Television Network in Spanish 0100 GMT 20 Jul 91

[Report monitored in progress]

[Text] ...Regarding wage deductions because of the strike, it was decided that the following procedures will be followed: 54 days of strike will be deducted starting in August, based on the basic salaries earned on that date, and 54 days will be compensated with overtime work, for which no salary will be paid.

After the signing of the agreement, Health Minister Victor Yamamoto expressed his gratitude to the workers and urged them to revitalize the health sector in order to improve hospital services.

[Begin recording] [Yamamoto] I am very pleased. I thank the leaders and all health workers, as well as the commission that made it possible to sign this agreement.

[Reporter] What were the main points in the agreement?

[Yamamoto] The main points in the agreement are related to bonuses for health risks, bonuses for work carried out in poor neighborhoods, and other points to be coordinated.

[Reporter] Will the days of strike be deducted from salaries?

[Yamamoto] We will be flexible, as announced before. [end recording]

Meanwhile, the leaders joined the rank and file in a huge march that ended in front of the union's office. There, the health workers' secretary general Domingo Cabrera expressed his views on the agreement.

[Begin recording] [Cabrera] We disagree, because unfortunately the government through an executive decree has given low wages to the health workers.

[Reporter] Then why did you sign the agreement?

[Cabrera] That specific point in the document was not negotiated. The government unilaterally imposed low wages for health workers. We signed agreements on sectorial matters affecting health workers.

[Reporter] What does this mean?

[Cabrera] Journalists, this means that the strike has been suspended as of this moment. [end recording]

State News Agency Joins EFE Satellite System

PY2207013091 Madrid EFE in Spanish 2218 GMT 19 Jul 91

[Text] Lima, 19 Jul (ANDINA)—Luis Grados Trinidad, chairman of the state news agency, ANDINA, said today that this agency has joined the satellite era; consequently, its reports will be released to the four continents.

He said this project, which is being tested, has set in motion a complete modernization of the enterprise, both in the information and advertising areas. He added that ANDINA began the so-called "ANDINA satellite" era following the signing of an agreement with the Spanish news agency, EFE.

The first stage of this ambitious project will be implemented late this month with the installation of parabolic antennas at eight ANDINA offices to be established in the most important Peruvian cities, such as Arequipa, Trujillo, and Cusco.

Grados said: "ANDINA reports will be received throughout America, Europe, Asia, and Africa, thus contributing to disseminating the Peruvian State's message worldwide and to improving Peru's image abroad."

Commenting on the government's supreme decree declaring a state of emergency for ANDINA, Grados said this decree will contribute to modernization of the enterprise and will allow more possibilities for competing with the private sector. Grados noted ANDINA's

critical economic situation some ten months ago and its undertakings "despite great difficulties—an excessive number of employees and debt."

He said serious business problems prevented a quick reactivation of the enterprise, despite "the great progress that has been made."

As for the excessive number of employees, he said that in August 1990, ANDINA had approximately 315 employees. He added that many of them joined the enterprise through political support and lacked appropriate qualifications, a fact that was a detriment to business development.

Grados said the number of employees has been gradually reduced in the past few months, "although the appropriate number of qualified employees has not yet been reached."

He noted that the supreme decree will allow implementation of "very important" projects for the enterprise's development and fulfillment of its role in keeping with the Constitution.

In this regard, he mentioned the international bulletin, which is designed for diplomatic missions accredited in Peru and the "Andifax," which is a special service for central and regional government offices, among others.

Concerning advertising, he noted that the agency is increasing its number of sponsors, considering that last week its personnel obtained the addition of major advertisers such as the Popular Bank, Electrolima [Lima Electric Power Enterprise], among others.

Official Says PLO Opposed Invasion of Kuwait

PY2207002491 Lima LA REPUBLICA in Spanish 9 Jul 91 p 15

[All Palestinian names as published]

[Text] 'Uthman Abu-Gharbiyah, president of the Palestine National Council Intifadah Commission, is visiting Lima. He said that during the Persian Gulf war the PLO position was distorted by the large U.S. information media.

During a meeting attended by Senator Gustavo Mohme, the Palestinian representative stated that the PLO was, at all times, opposed to the invasion of Kuwait by Iraqi forces. What could not be tolerated "by any means" was foreign intervention in Middle East problems, especially the hegemonic eagerness of the United States in the area.

"We are against any plan of domination and we are absolutely convinced that Middle East problems must be solved by the Arab countries alone, without the intervention of any foreign power," Abu-Gharbiyah said.

Abu-Gharbiyah is touring several Latin American countries to explain the great difficulties encountered by the Palestinian nation in its unification efforts since Jewish settlements in the occupied territories are increasing every day. "Israel wants to bring in more than 1 million immigrating Russian Jews in order to create new settlements, as it has been doing for many years."

Thus it violates the UN agreements proposing creation of a Palestinian state in the occupied territories. The PLO is a political organization created by the Palestinian people in 1964. Headed by Yasir 'Arafat since 1969, the PLO proposes creation of a secular, independent state throughout Palestinian territory where Muslims, Christians, and Jews can live in peace with "the same rights and duties."

Regarding recent events in Lebanon, where the Lebanese Army occupied PLO encampments, Abu-Gharbiyah said the only thing that is being accomplished is respect for the Fez agreements, which proposed unification of greater Beirut, demilitarization of PLO militias, and respect for the organization's camps in southern Lebanon.

According to Abu-Gharbiyah, this demand is a result of the Gulf war and it shows the effect of hegemonic pressure by the United States in the area, attempting to divide the Arab people.

Another Fez agreement states that Palestinian guerrillas will withdraw their heavy weapons from Sidon. Zayd Wahbah, PLO representative in Lebanon, said that "these weapons continue to be held by the PLO, which is free to move them abroad or to other regions in Lebanon, far from borders with the Zionist enemy."

"This is why we support an overall solution of all Middle East problems. We want peace, and while we wait, we want UN resolutions on the occupied territories respected. But we are confronted with U.S. opposition and its refusal to guarantee negotiations. The United States does not want our people's right to self-determination to become reality," Abu-Gharbiyah said.

Abu-Gharbiyah added that the intifadah has entered a new stage despite attempts to suppress it economically by dividing the Palestinian people and separating those inside the territories from those who live outside. "We are sure that our people's cause will prevail because our ideals are just."

Abu-Gharbiyah accused the United States of taking advantage of a militarily weaker Soviet Union to impose a new world order in which Arab countries play an important role.

"The United States wants to keep Arab nations divided because of their oil wealth. This is why we reiterate that in order to solve the Palestinian conflict, we need a meeting where all parties can hold a dialogue with each other," Abu-Gharbiyah stressed.

The president of the Intifadah Commission thanked LA REPUBLICA for its reporting on the Palestinian cause, which clarifies the issues. Senator Gustavo Mohme said

he hopes peace and truth will prevail in the Middle East and UN resolutions on the Palestinian question will be respected.

Germany To Give Financial Aid to Support Group

PY2007150691 Lima EL COMERCIO in Spanish 10 Jul 91 p A 5

[Excerpts] Hans Peter Repnick, German Ministry of Technical Cooperation congressional under secretary [name and title as published], has said that Germany will provide approximately $160 million (245 million Deutsche marks) to the support group for Peru.

He stressed that his country will not pardon Peru's debt, but acknowledged the great efforts that the Peruvian Government is making to rejoin the international financial world and pull out of the serious crisis it is experiencing.

He made these remarks after meeting with Senate President Maximo San Roman Caceres, who is also the first vice president of Peru. [passage omitted]

He said that Germany is willing to support Peru, but mentioned the human rights problem, an issue that was on the agenda of the meeting with the Senate president.

He noted that the process of rejoining the international community should not be addressed only from an economic viewpoint. In this regard, he stressed that human rights play a major role.

He added that whenever human rights are not respected, there is very little predisposition for foreign investments. Therefore, he said, human rights are an important factor in the international economy.

Uruguay

Lacalle Returns From Mexico, Comments on Summit

PY2207025691 Madrid EFE in Spanish 0148 GMT 22 Jul 91

[Text] Montevideo, 21 Jul (EFE)—Uruguayan President Luis Alberto Lacalle returned today from Mexico, where he attended the first Ibero-American summit, which was held in the city of Guadalajara. After his arrival, Lacalle noted the positive results of the first summit of Ibero-American government leaders.

Lacalle, who resumed the presidency from Vice President Gonzalo Aguirre in a ceremony at Carrasco International Airport, said that he is pleased with the support he obtained at the "summit" for his proposal to establish a Common Market of Knowledge [Mercado Comun del Conocimiento].

Lacalle added that he was also successful in the other mission that took him to Mexico; that is, for the "summit" to be historic not only because it was the first Ibero-American summit ever held, but because it achieved important results for Ibero-American countries. Among these achievements, Lacalle noted that, at his request, the final declaration includes support for regional integration processes that will lead to Latin American economic unity.

He also said he had told his colleagues that negotiations within the GATT Uruguay Round must result "in something positive because, otherwise, it would be preferable that GATT not exist."

Lacalle also expressed his concern over the difficulties democratic countries are facing when negotiating with multinational organizations "that do not understand that we have come out of dictatorships and, many times, demand immediate, almost magic, results of us." He said that this is because it seems "they cannot tolerate slow processes that result from congressional discussions and political negotiations."

President on Economy, Government Relations

PY2007144091 Montevideo BUSQUEDA in Spanish 11-17 Jul pp 56, 53

["Excerpts" of interview with President Luis Alberto Lacalle by BUSQUEDA; place and date not given]

[Excerpts] [BUSQUEDA] The government's priority goal has been to lower inflation. The cost of living increased almost 130 percent in 1990; this year it will be lower, although it will still be high. What is the cause of this persistent inflation despite the fact that we had a fiscal surplus in the last two quarters?

[Lacalle] There was no fiscal surplus. If we have to inject $320 million per year into the social security system, there can be no fiscal surplus. If this factor is eliminated, then perhaps we can bring inflation down from a moderate level to zero or perhaps a tolerable level. The obstacle to a reasonable inflation that would make it possible to save and invest with national currency is this tapping of the budget by the social security system.

[BUSQUEDA] Some people contend that the government's salary policy is partly responsible for the high inflation. What is your opinion?

[Lacalle] I do not believe so. On the contrary, perhaps the system for salaries in the private sector was not understood. The system that was implemented made it possible—for the first time in 20 years—to go five months without increasing salaries in the private sector. This was so because salaries remained at the same level for a long time, not because of any perverse reluctance to grant increases.

[BUSQUEDA] Is there, in your view, an overvaluation of the new peso?

[Lacalle] I believe that the way the exchange system is conducted can result in differences that are unacceptable to some sectors but are beneficial to other sectors. There are two schools of thought on the exchange policy: Those

who want it to be fast and those who want it to be slow, depending on whether they export or import. I do not believe that the Uruguayan system will ever have a totally transparent equilibrium between supply and demand because of the small size of the market. A state organ may decide to make a large purchase at any time and modify the exchange rate. I believe that it functions well as it is. An annual evaluation could perhaps allow a verification of whether there was overvaluation or just a variation in the curve. These things have to be looked at over more or less long periods.

[BUSQUEDA] Exporters say that they are increasingly losing competitiveness because of this overvaluation. One of the government's priorities is promoting exports. How can these two positions be brought together?

[Lacalle] At the end of the year we will see whether there was a reduction in the volume of exports or a reduction caused by bad pricing. I do not believe the balance will be bad unless we measure it in dollars because the value of some products has decreased disgracefully. [passage omitted]

[BUSQUEDA] Is it true that a new plan for refinancing the domestic debt is being studied?

[Lacalle] We are constantly studying new refinancing plans. Our position on this issue is that 85 percent of the country has paid its debts. It is a bad policy and a bad signal to tell those who did pay that they made a bad deal.

I wish to reassert my position in favor of those who do pay; within this framework, we must also take into account the socioeconomic nature of small businesses that will disappear if they pay their debts. I am talking about those that owe amounts ranging from $15 to 20 million. Perhaps we could look for a solution for these people by providing them with genuine resources—not through banks. This could be done by representatives of society, if this is what society truly wants. But we will not refinance. This means that if this is proposed and approved, all of society will say: "With genuine resources, we will pay the debt of businessmen with small businesses who have been unable to pay their debt and who will be destroyed if they pay their debts."

[BUSQUEDA] Through taxes?

[Lacalle] Precisely. [passage omitted]

[BUSQUEDA] How do you view relations between the executive and judicial branches?

[Lacalle] We maintain normal relations although our activities are carried out at different levels. When we talk about resources there are always allegations about making genuine requests, but sometimes these requests are not in keeping with the government's economic plans. We have these disagreements, but we have been able to overcome them in harmony. In their capacity as citizens, the people, the president, and legislators are occasionally perplexed about how some judges implement the law, but we can only issue an opinion.

[BUSQUEDA] Specifically, what are you talking about?

[Lacalle] Sometimes one wonders about the number of people who are sent to court, who are freed, or who are indicted in different parts of the country. But, of course, judges are free to do as they see fit.

President on Need for Social Security Reform

PY2007195891 Montevideo Radio El Espectador Network in Spanish 1000 GMT 20 Jul 91

[Text] President Luis Alberto Lacalle has said that besides contributions provided for by law, the social security system requires an additional $300 million per year from the revenue system in order to make ends meet. In a message to the nation last night, President Lacalle reported on the government's initiative to seek broad support for a political agreement to totally reform the social security system. He said it is a subject that should concern everyone and this is why the social and political sectors are being summoned to discuss it. According to the chief of state, if current conditions prevail the system will enter a deep crisis by 1995. By that date, he said, contributions will have to rise to a level that Uruguayan society cannot pay. In part of his address to the nation about the situation of the social security system, the president of the Republic said:

[Begin Lacalle recording] Dear fellow countrymen, there are subjects that must be discussed as thoroughly as possible due to their importance. For example, you know that when Uruguay was about to sign the Common Market of the South treaty we understood that this subject should be discussed not only by the executive branch, the foreign and economy ministers, and congressmen representing the people who voted for us in November 1989, but by as many people as possible because the subject was much more far-reaching than our term of government.

Today we face similar circumstances, a similarly serious subject. Obviously—since you must have heard many opinions from business and labor leaders this week—we are referring to the social security system.

This subject certainly affects everyone. It affects businessmen because they must contribute for their workers—a contribution that represents high costs, affects their competitiveness, and therefore lowers business and employment opportunities. It affects workers because it represents the cost of their future retirement. It affects youth because it affects their savings for their later years. It affects pensioners because, if the social security bank's finances were strong, they could easily collect their retirement pensions and increases. Therefore, this is a subject that concerns us all.

This is why we summoned all political leaders, without exception, to come to Government House on 15 July

and listen to a report by the economy minister and the social security bank on the current situation and future projections.

On 16 July we summoned business, labor, and pensioner organizations as well as the media because we felt they should be as well informed on the subject as the political sectors and because it is their duty to be aware of the national social security situation. We asked the media to allow us to enter each home to disseminate this news, as we are doing now.

In brief, what is the current situation? Besides reiterating well-known figures and opinions that are all valid—although we may disagree with a few of them—the situation is that the social security system must currently receive—besides the contributions provided for by law; that is, besides what is subtracted from your monthly paycheck and employers contributions, besides the large amount of money subtracted from your pay statement, which makes you gasp, and besides employers contributions, which sometimes represent a hardship for a company—out of our own pockets, through the taxation system under the general expenses column, almost $300 million per year. This means we are giving money from our other pocket to subsidize this system, a system that basically pays for retirement pensions but also pays for unemployment, family bonuses, and illness compensations that are not financed.

Through my address, this government feels an obligation to inform you citizens, workers, pensioners, youths, elderly, businessmen, and union leaders that we can more or less endure the current crisis. Next year we will be able to do so only by increasing contributions, raising taxes. However, as of 1995, when I will no longer be president, when there will be other congressmen and another party in power, the system will enter a deep crisis because contributions to the system that are not provided for by law will have to be raised to a level that I truly think Uruguayan society will not be able to pay.

What is the solution? We began with the consultations, drawing up a diagnosis, and the task that the labor and social welfare minister will begin on 22 July. He will be open to suggestions. We hope that soon we will be able to send Congress a draft bill with a broad base of support. You must help us attain this because this is not a subject that just concerns the Blanco or Colorado Party or the Broad Front or the New Space politicians or indifferent or fervent political militants or city or country people. It is a problem that affects everyone. With pride, I, as president of all Uruguayans, ask that you talk with your legislators, listen to television and radio programs and read newspaper articles on this subject, inform yourselves, and act because it is your future that we will consider in the next few days. [end recording]